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SPAIN-U.S.

THE SPAIN-U.S. CHAMBER OF COMMERCE
SEPTEMBER-OCTOBER, 1985 No. 140



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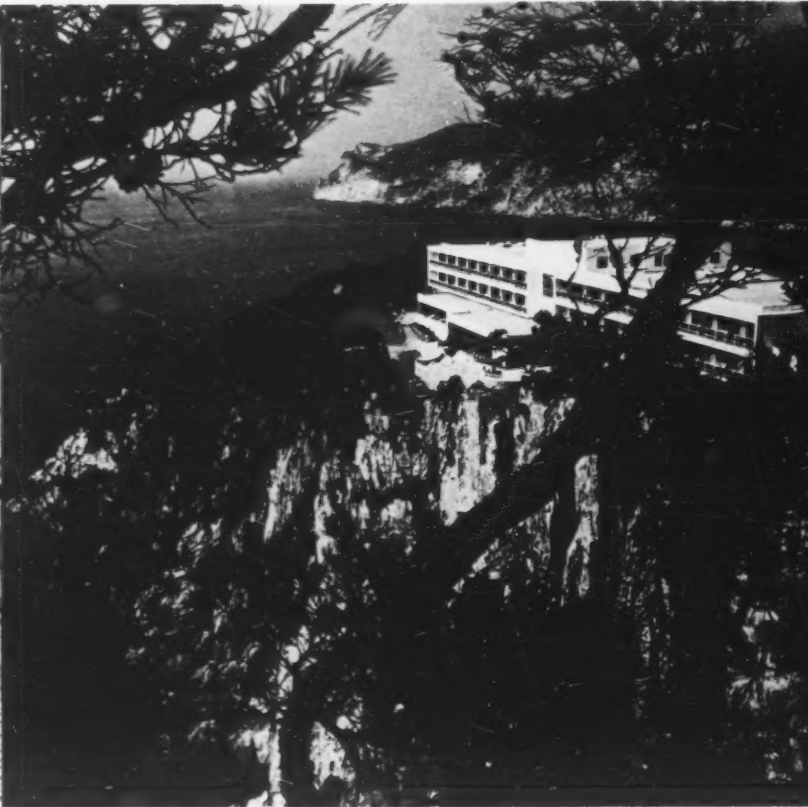
—John Cuneo
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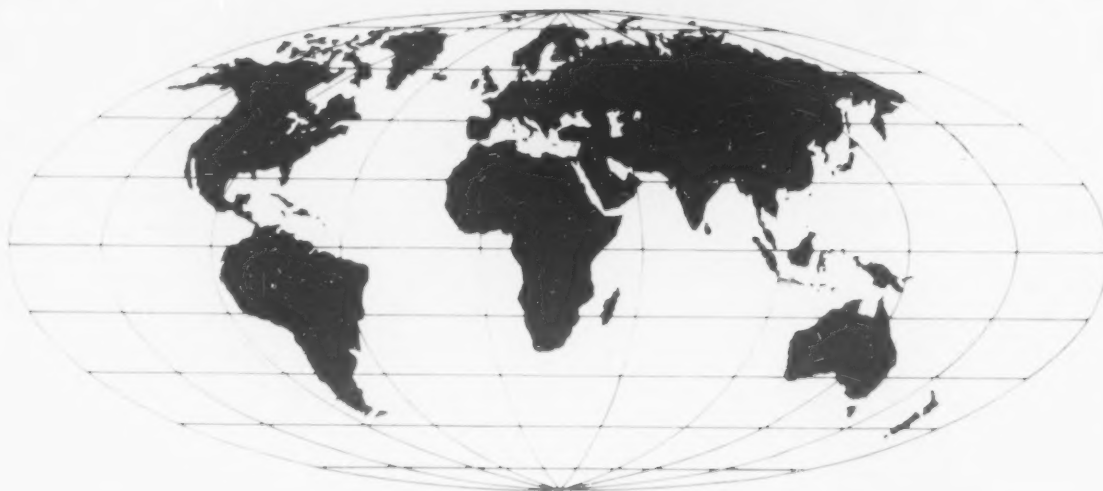
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SEPTEMBER-OCTOBER, 1985

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COVER: A New York scene which is unusual only because we seldom look up. The building at the bottom of the photograph is the Prudential-Bache Building at 100 Gold Street, in Manhattan's financial district. Photograph by Carmin Rojas

EDITOR SUSANA AIKIN
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**Welcome to
Spain's new
Consul General
in New York,
Ambassador
Manuel Sassot**

It is a great privilege for me to welcome Spain's new Consul General in New York, Ambassador Manuel Maria Sassot Cañadas.

Once again, New York has been honored by the appointment of an exceptionally distinguished veteran of the Spanish diplomatic corps, one who holds the rank of Ambassador.

Ambassador Sassot was born in Barcelona in 1926. He attended high schools in Málaga and Madrid, received his degree in Law from the University of Madrid, and trained for the diplomatic service at the Diplomatic School, graduating in 1952. Beginning in 1954 as Secretary of Embassy at the Ministry of Foreign Affairs, he has held increasingly important positions ever since in Rio de Janeiro, Baghdad, Paris, the Netherlands, and Hamburg, as well as serving as Director for Western European Affairs and later of Eastern European Affairs at the General Direction of European and Holy See Affairs.

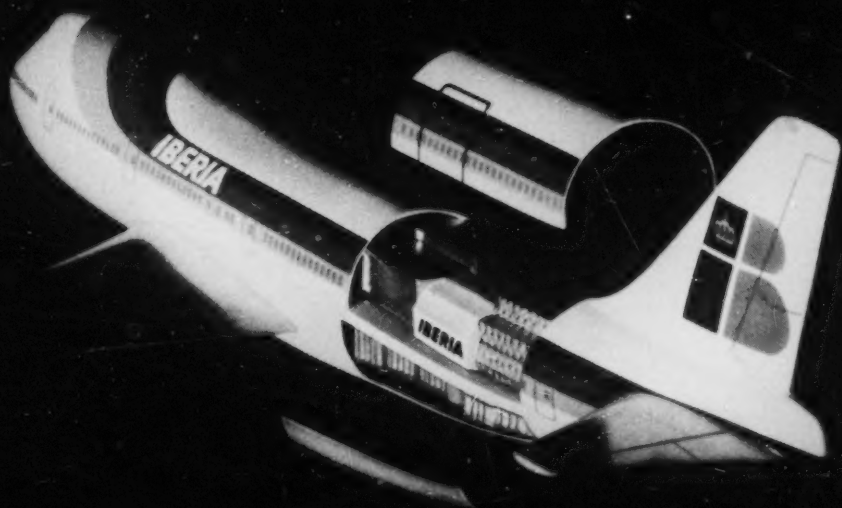
His first ambassadorship was to the Democratic Republic of Sudan in 1978, and successively he was named Ambassador to the Democratic Republic of Somali (1978), to Saudi Arabia (1979), to the Arab Republic of Yemen (1979), and to Oman (1979). In 1983 he was appointed Director General of Foreign Policy for Africa and Continental Asia, a position he held until his present appointment.

We look forward with pleasure to working closely with Ambassador Sassot, and with his long and broad experience and expertise his counsel will be highly valuable to us.

Speaking for all of us at the Spain-U.S. Chamber of Commerce, Ambassador Sassot can count on our full support and cooperation, and we wish him and his family a pleasant, rewarding and successful stay in New York.

JOSEPH SANCHEZ, President

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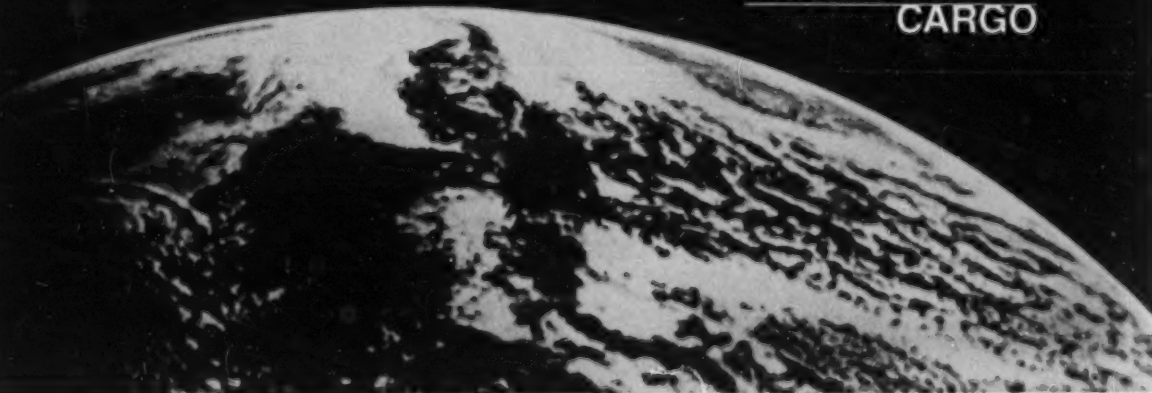
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'Tesoros de España: Ten Centuries of Spanish Books'

"We have arranged for our national treasures to cross the Atlantic so that Americans may share in the cultural riches of our country and have a broader understanding of the Spanish people

TWO HUNDRED MASTERPIECES from the lending libraries of Spain are the subject of a major exhibition at the New York Public Library which began on October 12th and continues through December 30th. Never before seen outside of Spain, the illuminated manuscripts, rare first editions, maps, prints and lithographs explore the development of Spanish culture from the tenth century through the Second Republic.

"Tesoros de España: 10 Centuries of Spanish Books" was organized by Spain's Ministry of Culture in collaboration with the Ministry of Foreign Affairs to coincide with city-wide events celebrating the sister-city relationship between Madrid and New York City.

Commenting on the exhibition, Jaime Salinas, Director of Books and Libraries of the Ministry of Culture, said: "We have arranged for our national treasures to cross the Atlantic so that Americans may share in the cultural riches of our country and have a broader understanding of the Spanish people. Because the New York Public Library is a dynamic center of education and a crossroads of culture, it is the natural site for this exhibition."

"Tesoros de España" has been drawn from ten of Spain's most famous libraries, including the National Library, the Palace Library, "El Escorial," the Royal Academy of History Library, the Lazaro Galdiano Foundation Library, and the Libraries of Santiago, Valencia, Barcelona, Complutense and Granada Universities.

During the showing of the Spanish treasures, complementary lectures,

performances and films are being presented by the New York Public Library at the Central Research Library and branch libraries. In addition, a 450-page fully illustrated catalogue has been published by the Ministry of Culture for sale at the exhibition. Distinguished writers and critics including Jorge Luis Borges, Anthony Burgess, Juan Marichal, Italo Calvino, and Juan Benet have contributed essays for the catalogue on aspects of Spanish culture and also will participate in the public

lecture series at the Central Library. Group tours of the exhibition by trained docents have been scheduled and special tours for school and community groups will be provided by advance appointment. Educational materials, including a packet of resource information for teachers and community groups, are available along with a free guide to the exhibition. An acoustic guide tour in both Spanish and English is available for visitors.

THE EXHIBITION

The exhibition has been a major organizational effort involving the selection and transport of over 200 illuminated manuscripts, incunabula, autographed manuscripts, atlases and maps, and rare or unique printed books. In describing the goals of the exhibition, the Ministry of Culture explained that the Spanish Government aims not only "to display the most important bibliographic jewels in Spanish libraries, but also to underscore the growing importance of such exhibitions in demonstrating the enduring artistic and historical values of books, manuscripts and engravings."

The exceptional character of the exhibition is evident in the scope and depth of the subjects covered. Universal themes, such as religion, exploration and communication, form one segment of the exhibition, while other themes directly related to the development of a unique Spanish culture constitute the remaining segment. The items displayed were chosen for their rarity as well as for their intellectual, aesthetic and historical importance.



A wood engraving with gold leaf from "Horae beatae Mariae," a devotional book printed in 1507, one of the books on exhibition at the New York Public Library

The first section of the exhibition is concerned with religious themes, and features extremely rare and beautiful manuscripts, ranging from a Visigothic manuscript from 985 to an illustrated Bible by Salvador Dalí. The 16th-century Koran, known as the *Coran de Muley Zidan*, on loan from the El Escorial Library, is famous for its rich ornamentation. *El Libro de Horas de Fernando I*, owned by the University Library of Santiago, is one of the greatest of early Spanish illuminated manuscripts. This



Mozarab manuscript, containing psalms, canticles and offerings, was commissioned in 1055 by the Queen of Spain as a gift for her husband.

The next sections of the exhibition are concerned with more worldly themes, including natural science, human sciences and technology, exploration, communications, and festivities. The rare items range from a 1498 *Epilogue on Medicine and Surgery* by Johannes Ketham to a 1586 manuscript on the *Art and Vocabulary of the General Language of Peru*. One of the unique manuscripts is the *Astronomy for the Caesars*, a presentation manuscript illuminated by the artist P. Apiano for the 17th-century King Ferdinand II. Another extremely rare manuscript from the University Library of Granada is the 14th cen-

tury *Natural History* by Alberto Magno.

As part of a group of manuscripts illustrating visions of power, there are several chronicles of Spanish kings, including the 1413 *Chronicle of the King en Jacme I* from the Library at the University of Barcelona. A highlight of this section is the *Triumph of Maximiliano*, a 16th-century album of colorful engravings by Durer, showing in its 87 pages of parchment the exploits of Maximilian, the Holy Roman Emperor. Incorporated into the exhibition's design is a brief video display showing details from the *Triumph of Maximiliano*.

Major sections of the exhibition are devoted to predominant aspects of Spanish culture, and include manuscripts, engravings, maps, and rare books which demonstrate the vitality of Spain's literary heritage and the historical importance of Spain as a world power.

"Sephardic Studies and the School of Translators of Toledo" is an important section which includes a topographic groundplot of the boundaries of the Sevilla Jewry, engraved by Joseph Amat. A highlight of this section is the *Cantigas de Santa Maria*, an 18th-century manuscript for Alfonso X containing 1,255 illustrations which are famous for their beauty. The manuscript is also noted for the literary merit of its writings and as a record of contemporary events.

Autographed manuscripts, a 15th-century songbook from the Palace Library, and a 1515 translation of Dante Alighieri from Tuscan into Castilian verse are some of the treasures in the section on the "Spanish Renaissance." Books on Spanish Knighthood, such as the *Doctrinal of Knights* by Alfonso

García de Santa María, printed in Toledo in 1580, contain vivid illustrations. Don Quixote, an especially important theme in Spanish culture, is represented by first editions, 16th-century translations into French and Dutch, and later translations into German, Portuguese and Japanese. Several of the editions contain original engravings.

The "Golden Age of Spain," one of the most important sections of the exhibition, includes manuscripts and first editions of Spanish classics. An 18th-century manuscript by Pedro Calderón de la Barca contains 26 pen and ink drawings. A 17th-century manuscript *Works Offered by Antonio Chacón to the Count Duke of Oliveres*, is by Luis de Gongora y Argote, a major Spanish poet. De Gongora y Argote had a particular style, called Gongorian, which influenced many poets in the 17th century and which has also been especially popular in the 20th century.

Fine examples of Spanish illustrated books, historic travel books, 17th-century books on Spanish costume, and examples of the first illustrated Spanish periodicals demonstrate the diversity of Spain's cultural heritage.

The final section of the exhibition is concerned with the culture of the Second Spanish Republic. First editions, autographed manuscripts, and illustrated editions of works by the poet Federico García Lorca and other prominent 20th-century writers provide a view of recent Spanish literature and illustration. The exhibition thus constitutes a full survey of the ideas and art of Spain from the 10th century through the mid-20th century, a survey that is unique for its comprehensive nature as well as for the significance of the individual objects on display.

PUBLICATION RECEIVED

The Chamber has received the Directory of Appliance Exporters, prepared by the Association of Home Appliance Manufacturers, listing the members of the Association interested in exporting major and portable household appliances to world markets. It lists the specific types of products offered by each company and information to facilitate direct contact with these companies by interested parties. The Directory is available to be consulted at the Chamber office.

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A Summary of Spain's Individual Taxes

This brief summary gives basic information about the exchange controls in Spain. It begins a series of articles dealing with Spanish taxes, customs and duties, U.S. tax changes, and other international current developments affecting U.S. and Spanish multinationals.

INCOME TAX. Resident individuals (i.e. those who live in Spain for more than 183 days during a calendar year) are subject to income tax on their total worldwide income. The tax year is the calendar year.

TAXABLE INCOME. Wages and salaries are taxable, and deductible expenses are restricted. One percent of gross earned income is deductible as an expense. Self-employed individuals may deduct any necessary expense incurred in obtaining income, and small businessmen can opt for a simplified system ("Estimación Objetiva Singular") to avoid keeping complex records of expenses, etc. Benefits in kind are taxed on the basis of cost to the employer (e.g., in the case of school fees) or market value (e.g., use of a company car). Capital gains are included and genuine losses are deductible. Current year losses which exceed income for any year may be set off against taxable income of the following five years. A tax credit of 15% of long-term losses may be taken against tax in the year in which they are incurred, any remaining balance of that 15% being carried forward for setoff against tax payable in the following five years. The proceeds of insurance policies, etc., arising from the loss of, or damage to, goods or rights not subject to the wealth tax are not subject to tax.

The income of husband, wife and dependent children is aggregated for personal income tax purposes and a joint return is submitted. If husband and wife are legally separated (e.g., by reason of nullity, separation or divorce), the income of the dependent children is aggregated with that of the spouse who has custody of them. Normal aggregation rules (and

the submission of a joint return) are not affected unless the separation has the force of law.

Tax returns are normally submitted annually.

ALLOWABLE DEDUCTIONS. A deduction may be made from tax payable for the following:

- 15% of most medical expenses (no limit) with evidence and indication of the name of the recipients.
- 15% of the cost of a principal private residence and subscription for certain qualifying marketable fixed name securities which must be held for three years.
- 15% of insurance premiums excluding premiums for annuity policies for under ten years.

The last two deductions have the limit of 30% of net taxable income.

There is, also, a credit against tax of Ptas. 20,000.

PERSONAL ALLOWANCES. The standard personal allowance given is, generally, Ptas. 17,000. In addition, married couples have an allowance of Ptas. 20,000. A regular allowance of Ptas. 15,000 is given for each of the dependent children. An additional Ptas. 38,000 is given for each handicapped child. A taxpayer is given an allowance of Ptas. 12,000 for each parent or grandparent who lives with him, and pensioners qualify for an allowance of Ptas. 7,500 each. The allowances are deducted from tax payable, not from taxable income.

TAX RATES. Salaries and pensions from Spanish sources are subject to deductions of tax at source at rates ranging from 1% to 33% (for 1985). The rates vary for married and unmarried persons and in relation to

the number of dependent children. Dividends, interest, royalties and rents from Spanish sources suffer deduction of tax at source at 18% (for 1985). Personal income tax is charged at progressive rates ranging from 16.14% to 66% of total worldwide taxable income, with an overall limit of 46% (which is reached when total taxable income exceeds Ptas. 12,250,000). The combined burden of personal income tax and net worth tax cannot exceed 70% (in 1985) of total taxable income. Any tax withheld at source can be deducted from personal income tax, and any excess is refunded.

The average rates for certain levels of taxable income are:

Taxable income in pesetas	Average rate for 1985 (%)
200,000	16.14
1,000,000	18.30
3,000,000	23.70
5,000,000	29.10
7,800,000	36.66
9,800,000	41.60
11,400,000	44.64
12,200,000 and upwards	45.96

Capital Taxes

CAPITAL GAINS TAX. Capital gains are included in taxable income, each gain being divided by the number of years of ownership of the asset and the result added to the current year's income to establish the average income tax rate chargeable on the balance of the gain. Capital losses are determined in exactly the same way as capital gains by applying the same formula. Capital gains on the sale of a principal private residence are exempt if the total sale proceeds are reinvested in another such residence within two years. However, if

the proceeds of sale exceed Ptas. 15,000,000 the exemption applies only to that portion of the gain relating to the first Ptas. 15,000,000. To counteract the effects of inflation, a multiplier of 1.5% is applied to the purchase price.

ESTATE AND GIFT TAX. Recipients who are Spanish nationals pay this tax on worldwide property passing either by gift or on death. The rates vary from 3% to 31% if the recipient is a direct descendant, and from 58% to 102% for non-relatives. In each case, the maximum rate applies if the property is valued at more than Ptas. 100,000,000.

WEALTH TAX. Resident individuals pay net worth tax on worldwide assets as of December 31 each year. Nonresidents are only subject to the tax on property situated, or rights exercisable, in Spain. The tax is levied at 0.20% on the first Ptas. 25,000,000, rising to 2% on total net taxable property of Ptas. 2,500 million or over. Resident single individuals are granted an exemption of Ptas. 6,000,000 (Ptas. 9,000,000 for married individuals), and an exemption of Ptas. 750,000 is granted for each dependent child (Ptas. 1,500,000 if the child is handicapped). The tax is not deductible from personal income tax, but the combined taxes cannot exceed 70% (in 1985) of the total net taxable income.

Social Security Tax

All employees and employers must make Social Security contributions at varying rates subject to the maxima set out in the table below.

In addition, there are other minor contributions to cover specific risks, e.g. accidents (payable only by the employer) and unemployment and salary guarantees (approximate maxima, Ptas. 99,000 per annum by the employer and Ptas. 22,000 per annum by middle to low level employees such as assistant clerks).

Other Taxes

TURNOVER TAX. A "cascade" type of turnover tax (IGTE) is levied on the sale or transfer of goods or the provision of services, including imports. The tax is applied at each stage in the production and sale of goods except to retail sales. Direct sales by producers or wholesalers to the ultimate consumers attract tax at the highest rate. The standard rate is 5% (5.5% for estate agents' sales of real property).

LUXURY TAX. Luxury tax at various rates is charged on certain goods, e.g. vehicles, 24%; imported Virginia cigarettes, 110% (47.4% if imported from the EEC); jewelry, 30%; household electrical goods, 6.6%; alcohol 22%-40%.

STAMP DUTY. Transfers of property not subject to turnover tax, contractual transactions, capital contributions and certain legal documents attract a stamp duty known as "transfer tax" at varying rates, e.g. 6% for transfers of real property; 3% for capital stock contributions; and 2% for transfers of movable property, etc.

LOCAL TAXES. Local taxes include the fiscal license tax and those on urban and agricultural rental values.

International Aspects

FOREIGN INDIVIDUALS. Foreign individuals who live in Spain for more than 183 days during a calendar year are subject to the personal income tax and net worth tax on total worldwide income and net assets. Nonresidents are subject to these taxes only on their income from Spanish sources and their property situated in Spain. Such nonresidents, however, have no right to wealth tax exemptions and personal allowances. Other allowable deductions are limited. Foreign individuals are subject to estate and gift tax only in respect of assets situated

in Spain. Those working in Spain pay full Social Security contributions except in certain cases covered by a Social Security treaty.

Residents of treaty countries are exempt from Spanish tax on income from personal services rendered in Spain for a nonresident employer, provided that their stay is less than 183 days and that their remuneration is not effectively borne by a permanent establishment in Spain. Residents of treaty countries who are working in Spain are taxed at normal rates on any income from Spanish sources other than wages and salaries.

DOUBLE TAX RELIEF. Credit is otherwise given for foreign taxes up to the lower of the amount of the foreign tax or the amount of Spanish tax that would otherwise be payable at the recipient's average rate of income tax. Of domestic dividends, additional relief for underlying taxes of 10% of the gross amount is given. These rules apply to resident aliens only.

RESIDENCE AND WORK PERMITS.

Foreign nationals intending to work in Spain must apply to the appropriate provincial government for a temporary work permit (which lasts for up to six months). If the employment or professional engagement is for more than six months, application must be made for a work permit and a residence permit, which are issued together.

EXCHANGE CONTROL.

All international transactions carried out by "residents" are subject to exchange control, which is administered by the Foreign Exchange Control Authority of the Ministry of Finance and Economy. A Spanish national is presumed to be resident unless he has become permanently resident abroad, and a foreign national is deemed to be nonresident unless he has a residence permit granted by the Ministry of the Interior. Resident foreign nationals are treated as resident Spanish nationals for exchange control purposes, except with respect to foreign property acquired before becoming resident in Spain and the income derived therefrom. Foreign property acquired by resident Spanish nationals during a period of residence abroad is exempt. Remittances to families abroad and repatriation of earnings by foreign nationals are permitted within certain limits.

SOCIAL SECURITY MAXIMUM CONTRIBUTIONS

ANNUAL CONTRIBUTIONS, 1985, IN PESETAS

	Employer	Employee	Total
Senior executives and technical engineers	860,269	132,054	992,323
Senior clerks	476,208	95,242	571,450
Assistant clerks	356,573	71,315	427,888

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Former Culture Minister Solana at Miró exhibit: "Spain is now the youngest, liveliest and most active country in Europe"

From NEWSWEEK MAGAZINE
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By EDWARD BEHR, Madrid

Spain's Renaissance

The arts are flourishing after decades of suppression

The people born in the late '50s and early '60s don't think about the past. . . We are free, we are alive, we don't know where we're going but we're full of excitement.

—Spanish filmmaker Pedro Almodovar

The excitement is real. After nearly 50 years of suppression, the arts are finally coming back to life in Spain. Nourished by the social and political expansiveness of the post-Franco era, the nation that produced Cervantes and García Lorca and Velázquez and Goya has spawned a new generation of world-class painters, designers, architects and filmmakers. The result is a cultural renaissance the likes of which Spain hasn't seen since Picasso and Buñuel decamped to Paris in the early part of the century.

The huge West German and Japanese manufacturers who once looked to Milan for industrial and graphic design are now flocking to the ateliers of Barcelona for guidance and inspiration. Madrid is becoming a

fashion center as Spanish clothes rapidly gain a foothold in chic international markets. And at a time when most modern European architecture is characterized by either *outré* extravagance or hideous mediocrity, Spanish architects are providing their neighbors with a stunning lesson in how to renovate urban centers without destroying a city's soul. "A profound cultural change has taken place," says former Cul-

ture Minister Javier Solana. "Compared with the cultural climate elsewhere, Spain is now the youngest, liveliest and most active country in Europe."

What is particularly exciting about Spain's cultural renaissance is the extent to which it has caught up ordinary people. In contrast to neighboring France, where a small artistic and intellectual elite seems totally divorced from a largely indifferent society, the doings of Spanish artists and intellectuals seem to be an integral part of the nation's daily life. This is reflected in the popularity of avant-garde television programs, in the way Spanish audiences flock to concerts, art exhibitions and avant-garde films, and above all in the phenomenon known as "La Movida" ("The Happening").



Rock singer Alaska: As popular as the Beatles

Personal Lives: The protagonists of La Movida are fashion designers, film directors, rock musicians, photographers, painters and poets, many of whom identify with the so-called "new expressionist" or "post-modernist" movements. They are the country's artistic in crowd—highly visible taste makers whose pictures, programs and poses amount to a kind of cultural manifesto for post-Franco Spain. Their primary medium is the magazine—specifically, irreverent arts weeklies like *La Luna de Madrid* (Moon of Ma-

de Madrid (Moon of Madrid), Madrid Me Mata (Madrid Slays Me) and Barcelona's Primera Linea (First Line), as well as top-rated television shows like "La Edad de Oro" ("The Golden Age") in which Movida artists display their work and discuss their personal lives with unabashed frankness and humor.

Somewhat surprisingly, one of the hottest of the new magazines is *El Croquis* (The Rough Sketch), a high-priced architecture quarterly that holds the distinction of being the only periodical of its kind in Spain not subsidized by building interests. Just three years old, *El Croquis* has already spawned two offspring, *Croquis Internacional* and *De Diseño* (On Design). Its success reflects the lively state of Spanish architecture and design. Though high taxes and lingering recession have reduced privately financed building, Spain is one of the few countries in the world where state-subsidized construction is not synonymous with ugliness. "We must have some of the most dignified, seriously elegant suburbs of any urban environment in Europe," says Madrid architect Antonio Velez.

In part, Spain's interest in good architecture represents a reaction to the architecturally disastrous development boom that occurred at the end of the Franco era—a boom that drenched the Costa Brava in concrete and led to the wholesale destruction of historic buildings in Madrid and other cities. The idea these days is that new urban housing should reflect not only the esthetic preferences of skilled architects but the human needs of the people for whom it's being built. The results stand in sharp—and welcome—contrast to the anonymous dormitory towns of France, Italy, and West Germany. In one newly built government housing project in Madrid, for example, future occupants were consulted on what sort of light, room size, and apartment layouts they preferred. And in nearly all cases, slum dwellings are remodeled and restored *in situ*, rather than being razed and replaced with soulless high-rises. "The emphasis on the preservation of anything of value has become almost

obsessive," says Velez. "There's a reluctance to pull anything down, even if it's structurally unsound."

Boom: Appropriately enough, some of Spain's most exciting architecture is now being practiced in Barcelona, a world leader in architectural excellence in the 1920s and '30s as well as the home of celebrated experimental architect Antonio Gaudi. Spurred in part by the city's ambition to host the 1992 Olympic Games, a huge building boom is under way. Already, a massive renovation scheme is leading to the construction of vast new-town suburbs, and plans are being laid for an Olympic village that Mayor Pasquale Maragall promises "will be a thing of beauty."

Barcelona is also on its way to becoming the design capital of Europe.



Designers Sybilla (left), del Pozo: Making a mark internationally

"The poles of attraction of design are now New York, Milan and Barcelona," says Ramón Benedito, an industrial designer and teacher at Barcelona's main design school. "The possibilities here are limitless." The 38-year-old Benedito, who specializes in electronic design (and numbers Sony among his clients), is one of a group of designers (all of them under 40) who in the last few years have transformed Barcelona's streets, shops, restaurants and discos with a distinctly striking flair—in the process turning their city into one of the most visually exciting

in Europe. Typical of their work is a disco called KGB (for *Kartier General de Barcelona*, or *Barcelona General Headquarters*). Built on the site of a former garage, KGB is a white, barn-like structure featuring huge expressionist paintings, multilevel metal platforms, arena seats and a U-shaped, neon-lit bar.

Increasingly, the beautiful people who frequent places like KGB are wearing clothes that bear a "Made in Spain" label. "Until very recently that label didn't mean very much," says fashion designer and clothing manufacturer Adolfo Dominguez. "It could even be prejudicial." No longer. With his free-flowing suits available through 350 outlets in Spain and another 150 in the United States, Japan, Hong Kong and Western Europe, the 35-year-old Domínguez may well be the fastest-growing designer-cum-manufacturer in the world. "I'm typical of the '60s generation," he says, "and my clothes are part of the new times."

Along with Dominguez, Spanish clothing designers like Manuel Piña (considered by some to be the "new Balenciaga"), Jesus del Pozo, Antonio Miró and 21-year-old Sybilla (who, according to Madrid boutique owner Silvia Saenger Alexandrovitch, "could with time become the greatest designer Spain has ever known") are beginning to make their mark internationally. "The (Span-

ish) fashion revolution really started in Madrid five years ago," says Miró, who works above his shop in Barcelona and attracts a clientele from as far away as London, New York and San Francisco. "In the past, only the very rich could afford elegance, and they mostly bought their clothes abroad. Now everyone wants to look good."

Predictably, the superstars of Spain's cultural renaissance are rock singers like Alaska (whose group is as popular in Spain today as the Beatles were in Britain 20 years ago) and film directors like Pedro Almodovar. Almodovar, in fact, may well epitomize what Spain's new cultural world is all about. A self-taught former telephone-company clerk, Almodovar began his movie career a decade ago making droll, deadpan shorts in the style of Andy Warhol and Paul Morrissey. His latest film—a surrealistic black comedy of Madrid working-class life entitled "What Have I Done to Deserve This?"—is currently playing to packed houses all over Spain and recently opened to critical acclaim in New York. The picture's success at home and abroad has drawn the inevitable invitations from American producers, but Almodovar insists he's not interested in working any-

where but Madrid. "It's the most stimulating town in the world," he says. "Five years ago it would have been my dream (to go to Hollywood) but now I feel it's more important to make films here."

Pastiche. The explosion in the visual arts is probably most evident in painting. "We have perhaps too many good painters," says former Culture Minister Solana. Some, like Miguel Barcelo and Miguel Angel Campano, are figurative "post-modernists." Others, like Guillermo Pérez Villalta, Carlos Alcolea and Ferrán García Sevilla, are new expressionists whose work combines the graphic humor of a Miró with the crude techniques of the comic strip. Many of Spain's young painters look to the United States for inspiration—Frank Stella is a particular favorite—but almost all of them make use of Spain's rich artistic heritage, whether in the use of Miró-like symbols or in deliberately pastiche evocations of Velázquez, Goya and El Greco. In any case, all enjoy healthy public followings. "People are really collecting as never before," says La Luna writer Carlos García-Calvo. "Pérez Villalta and Alcolea sell everything they paint."

So far, at least, the rebirth of the arts has conspicuously bypassed

literature and theater. Though Spanish reading tastes are of a high standard, contemporary Spanish writers—even those of top rank—cannot compete with such Latin American counterparts as Jorge Luis Borges and Gabriel García Márquez. "The Franco legacy still has an impact in literature," suggests former publishing executive turned agent Anne-Marie Comert. "Many writers are still chasing old bogeys—the Catholic Church, fascism—and the results have been disappointing."

Doldrums: Similarly, the Spanish theater, which once produced such giants as García Lorca and Lope de Vega, remains wallowing in the doldrums. "The authorities under Franco were more afraid of the theater than of any other art form," says Alberto Boadella, a 42-year-old Catalan actor-manager whose Company of Jugglers is one of the few avant-garde theaters in Spain producing exciting work. Boadella's seven-man, three-woman troupe lives and rehearses in a mountain village 100 kilometers north of Barcelona. Though the group's sharply satirical works have drawn accusations of "libel, blasphemy and profanation"—and church leaders periodically try to get its more controversial plays banned—the Company of Jugglers continues to draw a small subsidy from the local government. "(Would-be censors) ring the governor," Boadella reports, "and he tells them to read the new Constitution, which guarantees freedom of speech."

That sort of support may well be the key to the Spanish cultural renaissance. What has made the artistic explosion of the last few years possible isn't so much the talent of individual artists as the attitude of tolerance that pervades the new Spain. Feliciano Fidalgo, a veteran Spanish journalist who returned home a few months ago after 20 years abroad, recently conducted a survey on Spanish attitudes. What he found was a surprising acceptance, not simply of La Movida and other unorthodox cultural activities, but of permissiveness and dissent of all kinds. "Out of 200 people I talked to," he says, "only one was for a return to the old days." In the last resort, this may be the surest sign that Spanish culture will continue to thrive.

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Foreign Investments in Spain

The regulations have been substantially revised.

ROYAL DECREE 1042/1985 of May 29, 1985, published in the Official State Gazette on July 2, 1985, introduced the most substantial revision since 1974 of the regulations governing foreign investments in Spain.

As a result, a restatement of the subject matter is in order.

Foreign investments are those made in Spain by private individuals or legal entities wherever they reside, by Spaniards residing abroad, or in certain cases by Spanish companies with foreign participation in their capital.

Foreign investments may be carried out:

1. Through foreign contributions made by the following means:

(a) peseta equivalent of convertible currency admitted to quotation on the Spanish market;

(b) pesetas deriving from the balances of foreign accounts in convertible pesetas.

2. By the direct contribution to a company of capital equipment of foreign origin.

3. By the direct contribution to a company of foreign technical assistance, patents and manufacturing licenses.

4. By the contribution of any other means, subject to prior governmental authorization.

Foreign investments can be classified as follows:

1. Free from any prior formalities;
2. Subject to verification;
3. Special cases.

1. Free from any prior formalities:
In accordance with Royal Decree

1042/85, foreign investment that as of July 3, 1985 did not require prior authorization or administrative verification will continue to be free from any prior formality. Like any foreign investment in Spain, it must be recorded at the Foreign Investments Registry to enjoy the repatriation rights granted by the regulations.

2. Subject to administrative verification. This is the category that has been the focus of the reform.

Foreign investments, other than those referred to in the previous paragraph and in the paragraph that follows, can be carried out by means of foreign contributions, with the only obligation on the part of the investor that of filing a report with the General Directorate of Foreign Transactions and waiting a short period of time.

The Spanish Administration can do one of the following:

(a) Communicate expressly in writing to the prospective investor that his project is in compliance with Royal Decree 1042/85 and that he can proceed.

(b) Advise the prospective investor that defects have been found in the documentation filed which require an amendment, or request from him additional information. The Administration has only 30 business days to act as contemplated in this paragraph. If the 30-day period is exceeded, the investment can be carried out. It should be noted that when an advice of a defect or request for additional information is made by the Administration the 30-day period re-starts.

(c) The Administration can only reject the proposed investment when, due to its size, nature or financial characteristics, it may cause damaging consequences to the national economic objectives.

3. Restricted foreign investments. The liberalization rules established by Royal Decree 1042/85 are not

applicable to investments in activities related to national defense, or in companies providing public services, or in sectors regulated by special legislation.

Subject to other classification which may be made by the Spanish Administration, we consider that those special sectors in which foreign investment is limited to 49% equity or less are the following:

(a) Firms or companies possessing or operating studios, laboratories or, in general, establishments for the production of films in Spain, as well as those engaged in productions of this type, or in "dubbing" or other similar activities;

(b) Companies operating local broadcasting stations.

(c) Companies publishing newspapers or magazines.

(d) News agencies.

(e) Publishing companies.

(f) Mining companies.

(g) Companies engaged in the exploration and exploitation of hydrocarbons.

(h) Banks.

(i) Insurance companies.

(j) Companies engaged in oil refining.

(k) Air transport companies.

(l) Shipping companies.

(m) Concessions for the use of public waters, granted to foreigners or foreign companies.

(n) Companies contracting work, services and supplies with the State or autonomous agencies.

(o) Gambling.

It should also be noted that certain sectors which were mentioned in Royal Decree 623/81 of March 27, 1981, now abrogated, such as computers, electronic products, and downstream chemical industries, are no longer subject to special rules. Foreign investments in those sectors can be made as described in paragraphs 1 or 2 above.

4. Investments subject to special authorization. Foreign governments, their agencies having foreign sovereignty, and foreign state-owned companies and entities will require special authorization, as regulated by the third additional provision of Royal Decree 3021/74 of October 31, 1974.

JOSE LUIS SAN PIO is in charge of the New York office of J. & A. Garrigues and has been a member of the Bar of Madrid since 1961. He is President of the New York Foreign Lawyers Association and a member of the boards of various professional and cultural organizations. He has served as a Director and as Corporation Secretary of the Chamber.

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La imagen de España en los Estados Unidos

The image of Spain in the United States is very weak, Mr. Caruana believes, but generally positive, and it is necessary to increase the U.S. consumer's knowledge of Spain, its products and their quality.



RECIENTEMENTE, el INFE (Instituto Nacional de Fomento de la Exportación), a través de la Oficina Comercial en Nueva York, ha encargado la realización de un estudio con el objetivo de determinar, desde un punto de vista comercial, la imagen de España en los Estados Unidos. Se pretende en estas líneas resumir algunas de las conclusiones más importantes.

Imagen de España como país.

- *La imagen de España es muy débil.* Frente a una pregunta como "Cuando piensa en Europa, ¿que países le vienen primero a la memoria?", solamente un 45% de las respuestas incluía a España entre los 5 primeros países—frente a 77% para Francia, 69% Alemania, 63% Gran Bretaña, y 55% Italia.

Profundizando entre aquellos que habían mencionado España, quedaba patente que su conocimiento era superficial y ligado principalmente al turismo y los toros. La imagen de Francia y de Italia es sensiblemente más fuerte que la española.

- *El consumidor americano tiene muy poco contacto con España y su cultura.*

El estudio muestra que las principales fuentes de contacto entre los americanos y un país son:

- Los restaurantes.
- Los medios de comunicación.
- La compra de un producto de un país.
- Amigos y vecinos.
- Turismo.
- Lenguaje.

De estos factores, el estudio muestra que solo uno de ellos, el último, favorece a España, e incluso en este

caso, se refiere únicamente a la población de origen hispano.

Claramente se pone de manifiesto que estos factores, especialmente los tres primeros, han jugado un gran papel a la hora de configurar la imagen de Italia y Francia.

- *Aunque débil, la imagen es en general positiva.* El único aspecto mencionado como negativo son los toros que se asocian con "sangriento", "violencia", etc.

Imagen de los productos españoles.

- *Ningún producto está fuertemente asociado con España.* Un 30% de los encuestados no pudo citar ningún producto cuando se les pidió que mencionasen un producto español. Solo un 4% no pudo citar ningún producto francés. Los dos productos que más se asocian con España (aunque la asociación es débil) son vino y manufacturas de cuero.

- *La imagen general es positiva.* Se perciben como:

- Tradicionales, de artesanía.
- No se consideran modernos, innovadores o con alta tecnología.
- A diferencia de productos similares procedentes de Italia o Francia, no tienen imagen de sofisticados o elegantes.
- Se consideran productos baratos.

- *La visita a España no modifica sustancialmente esta imagen.*

JAIME CARUANA es Técnico Comercial del Estado y está destinado como Agregado Comercial en la Oficina Comercial de España en Nueva York.

JAIME CARUANA is a "Commercial Technician of the State," assigned as a Commercial Attaché with the Commercial Office of Spain in New York.

Conclusiones y recomendaciones finales:

- España y sus productos tienen una débil imagen en el consumidor americano. No obstante, tampoco hay una fuerte imagen negativa que haya que vencer.

- Para tener éxito en el mercado americano es necesario aumentar el conocimiento de España y de los productos españoles.

- Junto con el aumento del conocimiento sobre España, también es necesario cambiar algunos aspectos de su imagen.

Imagen actual	Imagen deseada
Toros	Abandono de esta imagen
Rural	Urbana
Tradicional con viejos métodos	Tradición pero también moderna, actual
Calidad aceptable	Gran calidad, elegancia, diseño
Barato	Buena relación calidad/precio
No claramente europea	Europea

- La imagen es un factor importante, pero no el único; la experiencia directa del consumidor y distribuidor americano con productos españoles es decisiva.

- A la hora de planear una comunicación efectiva de la imagen deseada, el estudio advierte la necesidad de no caer en mensajes demasiado generales que no interesen al consumidor a los que van dirigidos. Los mensajes cuanto más ligados estén a productos específicos más claramente llegarán al consumidor.

Spain: The Ideal Locale for the European Disneyland

Spain has the infrastructure, the weather and the warm hospitality.

WITH that discretion which is the rule of the business meetings at which important financial decisions are made, the executives of Walt Disney Productions have been to Spain to study the possibility of installing their European Disney World, their dream factory, on Spanish territory, and more particularly in certain zones of the Mediterranean coast.

Without further qualification than my expert knowledge of the world of Spanish tourism as vice president of one of the most important hotel chains in the country, the HUSÁ group, I must congratulate the promoters of the project for what, in my humble opinion, could be the best of decisions.

Everyone knows of the cordiality with which visitors to Spain are welcomed. Thirty and a half million tourists have come in the first eight months of this year, and the fact that we have been able to attract and accommodate them demonstrates clearly that the Spanish tourist infrastructure has been rapidly modernized and is constantly updated.

The efficient adaptation of this infrastructure to the growing needs of the tourist trade in order to respond to the natural requirements of our visitors for comfort and quality, which has been especially outstanding in the Mediterranean zone from Alicante to Catalonia, has led to its

consideration by the Walt Disney executives as the ideal location for this grand project.

This zone is very well served by facilities of all kinds—roads, motorways, railroads, airports, and seaports.

The area is also one of those most visited by tourists from outside Spain, as well as by Spaniards themselves when on holiday. A large percentage of these visitors are people with a medium to high standard of living and education, and there are a number of important "jet setters" among them. These are people seeking not only the sun and good beaches granted by nature but also the magnificent and luxurious hotel accommodations or top quality campsites, the picturesque and beautiful towns and historic monuments, the wonderful countryside in the interior, and the extraordinary luminosity of the air which has attracted artists and photographers from all over the world.

Spain's extraordinary artistic wealth should be a major consideration, from the Prado in Madrid, one of the most important museums in the world, to the Picasso in Barcelona—which must be visited to get to know that artistic genius—or the Museum of Romanic Art, also in Barcelona, to interesting collections in every major city. Spain's monasteries, cathedrals, and innumerable other ancient buildings constitute a most singular testimony to all the phases of Romanic and Gothic architecture, and themselves hold many great works of art—key pieces in universal history and culture.

As if this were not enough, Spain enjoys a unique gastronomy and a wide range of wines of, in many cases, surprisingly excellent quality. It should not be forgotten that a large number of restaurants in the

Mediterranean zone, where the Disney project might possibly be installed, find an outstanding place in the most demanding gourmet guides.

All these factors contribute to making the visitors' stay more pleasant. They find the kind welcome, generosity and happiness so characteristic of the Mediterranean people and this area which came under the influence of all the peoples who, throughout history, have made the Mediterranean the cradle of Western civilization.

The success of the three great amusement parks in the world (Los Angeles, Orlando and Tokyo) would perfectly well be repeated in Spain. Everything is in favor, including the possibility that Disney might consider installing a high technology complex to coincide with the commemorative activities of the fifth centenary of the discovery of the Americas.

Such a technological contribution would undoubtedly influence the tourist infrastructure of the country. It could also mean that the possible number of visitors to the amusement park, now forecast at five to seven millions annually, could increase considerably.

In my mind, there is little doubt as to the decision which would result in the creation of this Walt Disney fantasy world in Spain. Everything, including the assured stable weather conditions essential to installations of this kind, are in favor of the profitability of the investment necessary to carry out the project. And the people of Spain, should they become the hosts of the European Disneyland, will take on the new challenge with courtesy, professionalism, and the determination to do their part of the job well.

JUAN GASPART SOLVES is Executive Vice President of HUSA—Hoteles Unidos S.A., a hotel and catering chain established in 1930 by José Gaspard Bulbuena. The group presently consists of a total of 82 hotels, 5 restaurants and 3 discotheques, and it also caters daily for hospitals, schools, industrial enterprises, etc. Its estimated annual sales are 14,000 million pesetas (about \$85 million).



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Current Legislation in Spain

A SUMMARY OF LEGISLATION PUBLISHED BETWEEN JULY 19th AND SEPTEMBER 30th, 1985

Note: "Official State Gazette" is abbreviated "OSG" in this summary

GENERAL

1. Office of the Head of State. Organic Law 10/85 of Aug. 2, 1985 on the Authorization for the Accession of Spain to the European Economic Community. (OSG Aug. 8, 1985).

By means of this Organic Law and in accordance with article 93 of the Spanish Constitution, Spain consents to its accession to the European Economic Community, the European Coal and Steel Community, and the European Atomic Energy Community.

This accession will have consequences which will deeply affect Spanish legislation. The three principles on which the EEC is based—that is, the free circulation of goods, persons and services, and capital—will fully apply in Spain after a transitory term of 10 years.

In due time, customs duties among the EEC countries and Spain will disappear and a common external tariff will apply in commerce with third countries. There will be freedom in the circulation of workers as well as a right of free establishment and the rendering of services, and there will be a progressive elimination of all restrictions on free circulation of capitals. Value Added Tax will apply starting January 1, 1986.

Rules governing competition, undertakings, and dumping will become more severe, and aids granted by the State to entities or individuals will have to be examined case by case so as not to interfere in fair competition.

Because of the so-called supremacy of the Community Law over internal legislation, Spanish judges will have to ignore those Spanish provisions which directly conflict with the Community laws. Individuals and entities may request the application of rights and benefits foreseen

under Community law.

Above all the advantages and inconveniences that the accession of Spain into the European Economic Community may represent with regard to each particular industrial sector, this accession will mean the merger of Spain into Europe, bringing excellent benefits for its international projection and for the future of a united Europe.

LABOR

1. Ministry of Labor and Social Security. Royal Decree 1194/85 of July 17, 1985 regulating the norms on the anticipation of retirement age, as a measure for the promotion of employment (OSG July 20, 1985).

The minimum age of 65 required by the Social Security System at which a worker is entitled to a retirement pension is reduced to 64 years when other workers are substituted under the conditions set forth in this Royal Decree.

2. Office of the Head of State. Organic Law 11/85 of Aug. 2, 1985 on Trade Union Freedom. (OSG Aug. 8, 1985).

3. Ministry of Labor and Social Security. Royal Decree 1382/85 of Aug. 1, 1985 regulating the labor relations of special nature for senior executive personnel. (OSG Aug. 12, 1985).

These contracts are regulated separately from the Workers Statute, as they are based on trust between both parties. Senior executives are defined as those workers executing with full responsibility powers on behalf of the Company related to its general goals and limited only by the direct instructions of the superior body of the Company.

This Royal Decree establishes the form and contents of these contracts as well as a trial period in any case

not to exceed 9 months. Notice must be given three months in advance in case of termination.

4. Ministry of Labor and Social Security. Royal Decree 1428/85 of Aug. 1, 1985 regulating the labor relations of a special nature of persons participating in mercantile operations on the account of one or more employers without assuming risk. (OSG Aug. 15, 1985).

FISCAL

1. Office of the Head of State. Law 30/85 of Aug. 2, 1985 on the Value Added Tax. (OSG Aug. 9, 1985).

This tax will be effective as of January 1, 1985 and will mean the elimination of the Turnover Tax, Luxury Tax and Countervailing Tax.

The VAT is levied on the delivery of goods and the furnishing of services by employers and professionals as well as the importation of goods.

The Law contemplates three different rates: a general rate of 12%, a reduced rate of 6% for essential products, and a maximum rate of 33% on luxurious products and cars.

Spain has obtained an exemption for the application of this tax in the case of individuals or entities with a maximum annual invoice of up to the countervalue of 10,000 ECU (1.2 million pesetas).

Regarding investments, the VAT represents unquestionable advantages in the use of the various inputs. That it has been a very important incentive for investment is shown by its rapid expansion to 30 countries with very different socio-economic factors. For exports, the VAT also has important advantages due to the elimination of countervailing taxes and the tax refund regarding input.

Nevertheless, because of the complexity of the application of this tax, some administrative difficulties,

mainly concerning its control and management, may be envisaged.

2. Ministry of Economy and Finance. Royal Decree 1963/85 of June 5, 1985 amending the limits of the operations for 1985 under Regime of Singular Objective Estimation. (OSG Aug. 27, 1985).

FOREIGN INVESTMENTS

1. Ministry of Economy and Finance. Order of July 19, 1985 developing Royal Decree 1042/85 of May 29, 1985 by which the regime of authorization of foreign investment in Spain is liberalized. *See article on page 15.* (OSG July 25, 1985).

2. Ministry of Economy and Finance. Resolution of July 19, 1985 of the General Directorate of Foreign Transactions on the documentation to be presented for the verification of investments liberalized under Royal Decree 1042/85 of May 29,

1985. (OSG July 25, 1985).

3. Ministry of Economy and Finance. Resolution of Sept. 4, 1985 of the General Directorate of Foreign Transactions, amending Order of Jan. 25, 1975 which regulates the declaration procedure on foreign investments. (OSG Sept. 30, 1985).

CIVIL

1. Office of the Head of State. Law 19/85 of July 16, 1985 on Bills of Exchange and Checks. (OSG July 19, 1985).

This law intends the harmonizing of Spanish legislation with the legislation of the European Economic Community. Its innovations are, among others, the simplification of the formal requirements, the facilitating of the circulation of these documents, and regulations governing the legal consequences of the blank spaces, the subscription of these documents by unauthorized

agents, confirmed and certified checks, etc.

Notwithstanding, this law recognizes its temporary character and establishes the possibility of the elaboration of a complementary legal text to be introduced at an appropriate time.

2. Ministry of Economy and Finance. Royal Decree 1346/85 of July 17, 1985 regulating Law 46/84 of December 26, 1984 on the Institution of Joint Investment. (OSG Aug. 3, 1985).

3. Ministry of Economy and Finance. Royal Decree 1348/85 of Aug. 1, 1985 approving the Regulations on Private Insurance. (OSG Aug. 3, 1985).

ADMINISTRATIVE

1. Office of the Head of State. Law 29/85 of Aug. 2, 1985 on Water Resources. (OSG Aug. 8, 1985).

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Fairs and Exhibitions

Exhibitions in VALENCIA during 1986 and 1987

DATE	FAIR OR EXHIBITION	DATE	FAIR OR EXHIBITION
Jan. 14-18	17th International Fair of Home Textiles and Decoration	Sept. 11-14	20th International Fair of Children's and Young People's Fashions
Feb. 6-11	25th International Toy Fair	Sept. 23-28	23rd International Furniture Fair
Feb. 7-11	14th International Stationery Fair	Oct. 11-19	3rd International Show of Mediterranean Art
Feb. 13-16	20th International Fair of Children's and Young People's Fashions	Oct. 11-19	3rd International Antiquarian Show
Feb. 21-25	22nd International Fair of Ceramics, Glass and Decorative Articles	Oct. 16-26	15th International Fair of Horticulture Equipment Sundries and Machinery
Mar. 12-16	4th Fair of Ceramics, Glass and Facings for the Building Industry, Sanitary Products, Raw Materials and Machinery for the Ceramics and Glass Industry	Oct. 17-21	3rd International Fair of Agricultural Production, Transformation and Marketing
Apr. 11-16	21st International Fair of Jewelry, Lamps and Metal Arts	Oct. 29-Nov. 2	22nd International Fair of Woodworking Machinery and Related Products for the Furniture Industry
Apr. 19-23	5th International Show of Musical Instruments and Accessories	Nov. 25-28	3rd International Exhibition of Fair and Playground Equipment, Gambling Machines and Accessories
May 6-11	64th Valencia International Trade Fair	Dec. 26-Jan. 4	Sixth Youth Fair
May 17-20	4th Fair of Perfumery, Cosmetics and Hairdressing	Feb. 26-Mar. 2 '87	7th International Meat Industries Fair
May 17-20	4th Drugstore Fair	Feb. 26-Mar. 2 '87	7th International Fair of Bakery, Pastry, Ice Cream and Related Industries
May 22-25	International Congress and Exhibition of Pharmaceutical Specialties		

Fairs and Exhibitions in BARCELONA, 1986

DATE	FAIR OR EXHIBITION	DATE	FAIR OR EXHIBITION
Jan. 17-20	PIRELLA SPA—Trade Fair/Show of Suede, Nappa and Black Leather	May 10-18	X SALON DE ANTICUARIOS—Barcelona Antique Show
Feb. 1-7	XXIV International Bag Show and Garmenting Sector	May 14-17	EXPOTRONICA 86—Professional Electronics Equipment and Accessories
Jan. 28-Feb.	GAUDI HOMBRE—Handmade Men's Wear (Autumn/Winter 86/87)	May 14-17	INFORMAR 86—Telecommunications
Mar. 1-5	GAUDI MUJER—Handmade Women's Wear (Autumn/Winter 86/87)	June 7-17	Graphic Design
Mar. 8-13	ALIMENTARIA 86—Food Trade Show	June 2-15	International Trade Show
March	MOISTRA HILADOS—Knitting Yarn Show (Spring/Summer)	September	GAUDI HOMBRE—Men's Fashions (Spring/Summer)
April 5-8	SPORT—Sports Trade Show	Sept. 16-18	SONIMAG 86—International Audio-Visual and Electronics
April 9-12	MOISTRA TEJIDOS—Fabric Show (Spring/Summer)	Sept. 16-18	EXHOCOGAR 86—Home Textiles and Appliances
April 16-19	MOISTRA DE MAQUINARIA PARA LA CONFECTIO—Garment-making machinery	Sept. 22-28	LIBRER 86—International Book and Publication Show
April 19-22	ROADTUBE 86—Shoes and Footwear (Spring/Summer)	September	GAUDI MUJER—Women's Wear Fashions (Spring/Summer)
April 23-27	OSMO 86—International Aerospace and Defense Show	Oct. 4-7	SPLOTT—Sports & Camping Show
April 24-26	SATIA—Recreation Industry and Leisure Supplies	Oct. 11-16	HABNAJOYA 86—Jewelry Show
Apr. 26-May	TEXTIMOVIL 86—Textile Equipment and Accessories	October	Fair Show (Autumn/Winter)
		October	Fair Show (Autumn/Winter)
		Nov. 14-16	EXCOMIN 86—Minerals and Fuels
		Nov. 16	XXV Children's Fashion Show

in Spain and the U.S.

Fairs & Exhibitions in MALAGA, 1986

For information on the following fairs, please contact
EDICONSA—Departamento de Ferias y Exposiciones
c/Madre de Dios, 33-2º, 29012 Málaga, Spain.
Tel. 224-100102/03/09 and 218899

DATE	FAIR OR EXHIBITION
Mar. 5-9	CERVISOL '86—Exhibition of Ceramics, Glass and Decorative Items
Apr. 9-13	DECORHOGAR and EXPOAMBIENTE '86—Home Furnishings Exhibition
Apr. 23-27	NAUTICA Y DEPORTES BENALMADENA '86—Exhibition of Sports and Nautical Equipment
May 1-4	EXPOELECTRONICA '86—Exhibition of Professional Electronic Equipment
June 18-22	BRIFESOL '86—Hardware and Do-it-yourself Exhibition
Date to be decided	Exhibition of Real Estate Promotions

Notes on Other Fairs in Spain, 1986

PIELSUR-86 will be held January 10-15, 1986 in Torremolinos (Málaga), in the Palacio Nacional de Congresos y Exposiciones. For additional information contact: PielSUR-86; Camino de Rojas, s/n; Villa Henrika; E-Churriana (Málaga); attention: Mr. Joaquín Pérez Pérez; telephone (952) 43 52 42.

SICUR '86. This international show on security matters will be held in Madrid from February 11th to 15th.

VIGO '85. The 1985 edition (Sept. 24-29) was described by the organizers as the largest fishing show ever mounted in the western world. With 6,000 square meters of covered exhibit space, it showed the products of over 350 companies from 28 countries.

Ferias y salones comerciales internacionales en Nueva York

OCTUBRE 1985

14-17	INFO '85 — Coliseum
20-23	National Kids Fashion Show — New York
24-27	Antique Show — Pier 88
31-2 Nov.	Int'l Fine Art Photo Expo—Roosevelt

NOVIEMBRE 1985

2-4	Children's Expo International — Coliseum
9-10	Int'l Film & TV Festival of NY — Sheraton
10-13	Int'l Hotel/Motel & Restaurant Show—Coliseum
10-15	Lighting Accessories Center Show—2305th Ave
14-19	Bath, Bed & Linen — Roosevelt
15-17	Japan Camera Show — Sheraton Centre
22-24	Photo Expo '85 — Coliseum
23-28	Int'l Sports Summit — Vista International
30-Dec. 2	NY Int'l Numismatic Convention

DICIEMBRE 1985

9-12	Int'l Chemical Exhibition
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SEPTIEMBRE 1986

3-5	Salón de Hilados (Knitting Yarn Fair)
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OCTUBRE 1986

6-10	Exhibición Internacional para la Industria de la Bebida (Int'l Beverage Industry Exhibition)
14-17	Salón de Artes Gráficas (Graphic Arts Exhibition)

New York Prêt — Coliseum

Del 20 al 22 de septiembre tuvo lugar la New York Prêt en el recinto ferial del Coliseum. Más de 44 países y 1300 diseñadores y fabricantes exhibieron sus últimas creaciones a los compradores. Estas cifras permiten formar una primera idea de la gran importancia adquirida por el salón, con tal solo dos ediciones celebradas.

El objetivo del New York Prêt, que no es otro que el contribuir al relanzamiento económico del sector de moda, y como consecuencia de esto potenciar la presencia de los diseñadores extranjeros en el mercado americano es un hecho constatado que se logra en buena medida.

Uno de los factores que determinan la importancia comercial de un certamen lo constituye, sin duda, las novedades que se presentan en su marco.

Es la primera vez a la que han asistido españoles en grupo. Siete firmas españolas de moda forman parte del pabellón y otros cuatro firmas exhibieron independientemente.

Knitting Yarn Fair

Del 8 a 10 de septiembre de 1986 se celebrará en Nueva York el Knitting Yarn Fair en conjunción con el Trimmings, Accessories & Fabrics Expo. Esta incorporación de las dos ferias facilitará a los expositores tener un mayor acceso al público y al mismo tiempo visitar los productos de los expositores de las dos ferias.

Con la entrada de España en el mercado común y la presencia de visitantes procedentes de numerosos países extranjeros, este salón representa una plataforma idónea para el conocimiento de las técnicas y de los productos españoles, y la ampliación de los negocios hacia los mercados exteriores.

Para más información, pueden dirigirse a: Irving I. Silverman, Trade Show Coordinator, National Knitwear & Sportswear Association, 386 Park Avenue South, New York, NY 10016; telef. (212) 683-7520; Telex: 239801 KNIT UR.

TRAVEL NOTES

By PANCHO SHIELL

Bronze Age Village Discovered in Albacete

An extraordinary archeological site has recently been discovered and uncovered at La Laguna de Acequión in the province of Albacete, on the plains of La Mancha. It is a fortified village dating back to the Bronze Age, 4,000 years ago!

After four weeks of digging by a team of 29, including nine experts in archeology and under the direction of a professor of ancient history, ancient objects were found which, according to the professor, are overwhelming in both quality and quantity. They include ceramics, pottery, and metal items including knives and arrowheads, indicating that the inhabitants of the village were relatively advanced. Also found were several pieces of ivory which could have come from Africa, as well as certain types of buttons indicating that in that era Mediterranean trade and commerce had arrived not only to the coasts of Andalusia and the Levant but also to the interior of the Iberian Peninsula. There are wooden structures, evidently of oak, including round houses, and the entire site is surrounded by a massive stone wall several meters thick and 60 meters in diameter. This wall, which is very well preserved except for one inexplicable hole, may possibly have been built atop an even more ancient Iberian structure dating back as much as 7,000 years.

Artifacts reveal that the village's inhabitants were primarily agrarian, and animal remains indicate that they also raised sheep and goats, as well as cattle; a cemetery was found across the lake bed.

More extensive excavation is being planned on this and other archeological finds in the area. The priceless artifacts will be on display at the Archeological Museum in the provincial capital city of Albacete. Located in the municipal park, the museum houses Iberian and Roman antiquities, including the rich finds from this and other prehistoric sites.

Your Own Apartment in the Canary Islands

Iberia Airlines and Cavalcade Tours have joined forces to offer a week-long vacation on the island of Tenerife, one of the exotic "miniature continents" of Spain's Canary Islands, which lie just off the west coast of Africa and just north of the Tropic of Cancer. You will relax in the privacy of your own apartment, complete with terrace, kitchen, maid service, swimming pool, and recreational facilities. Tenerife offers plenty of beaches for basking, swimming,

and water sports, and plenty of sights to see. There are also bargains galore, as it is a free port where you can choose from the gamut of international merchandise at even lower prices than in the countries of origin. Besides saving money, you might also take your chances at winning some at the Casino Taoro, entrance to which is included in the package. Prices start at just \$519 per person, double occupancy, including round-trip airfare from New York via Iberia Airlines, accommodations, meeting on arrival, and airport transfers. Additional weeks start at just \$80! For information on this and other available programs, contact Cavalcade Tours: 5 Penn Plaza; New York, NY 10001; telephones: (212) 695-6400; or from out of New York State (800) 223-7959.

New Manhattan Gallery Features Spanish Art, Antiques, Handicrafts

Artesania, Inc., a new and unique specialist in the decorative arts of Spain, has recently opened its showrooms in Manhattan featuring an irresistible array of art, antiques and handicrafts imported from various regions of mainland Spain and from the Canary Islands and Mallorca. It is a veritable museum! Each of the pieces on display—for browsing or buying—has been selected by a team of Spanish art and antique connoisseurs who spent an entire year travelling through the country searching out antiques and contemporary handcrafted collectibles made in Spain's great tradition of timeless beautiful design and excellent workmanship.

The four-room gallery is actually decorated with these items, which give it the ambience of a Spanish country home or a mansion, depending where you look. You can admire scrubbed pine tables, chests, trunks, cabinets, jar stands, ceramics, bedspreads, etc. There is a wide variety of ceramic styles including five different regional interpretations of the traditional water jug alone, as well as unique cheese crocks, hanging bottles, and three-handled kettles.

Exquisitely framed color litho-

graphs from the National Institute of Calligraphy hang above blond wicker furniture. Goya is represented by his series "Caprichos" and "Proverbios y Disparates," and Fortuny and Madrazo by their soulful portraits and character studies; and there are sculptures by Carlos Santiago. There are colorful hemp rugs on the floor, plants in the jardinières, and crockery inside the rustic china cabinets. Classic black wool men's capes, now becoming fashionable for evening wear in the U.S. are on a rack alongside a hemp basket filled with cotton batiste nightdresses atop a 17th century linen chest.

From Mallorca there are hand-blown glass candelabra and sconces, pitchers and jars in ruby and amethyst, and flower holders in topaz. The Canary Islands and Mallorca are represented by their respective special collections of exquisitely woven and embroidered bedspreads, towels, and rarely-seen decorative silk and linen textiles.

Artesania is at 433 Fifth Avenue, 6th floor, New York, NY 10016 (telephone 212-686-0272). It is open to the public from 9 to 5 Monday through Friday, and to the trade by appointment.

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1001 JC Amsterdam
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First National Bank of Santa Fe
On the Plaza
Santa Fe - New Mexico 87501
Tel. 984 7400

First State Bank of Taos
116-120 W. Plaza
Taos - New Mexico 87571
Tel. 758 4242

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Telex: 17739

Belgium 3, Rue Lebeau
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Brazil Rua do Carmo, 11 - Andar 19
Rio de Janeiro - CEP 20011 RJ
Tels. 242 70 26, 242 86 06
Telex: 2132591

Chile Paseo de Ahumada, 254 3º
Oficina 301
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Tel. 72 66 41 Telex: 340946

Mexico Avda. Juárez, 4 - 705
06050 Mexico, D.F.
Tel. 535 00 30
Telex: 1777460

Venezuela Avda. Francisco Miranda
Edificio Torre Europa
Oficinas 7 y 8
Caracas 1060
Tels. 951 41 05 - 6 Telex: 23532

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Tel. 23 32 91 Telex: 413215

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TALK OF MADRID

By MARINA SPECHT

After appearing in U.S. TV spots for Honda scooters, model-turned-actress **Grace Jones** has set her advertising eyes on Europe where she is appearing in two popular spots on Spanish TV. One is for Citroen's GTI Turbo via Roux, Seguela, Cayzac & Goudard. The most recent is a spot for Cinzano's bitter soda, an alcoholic, lightly carbonated drink made of bitters.

In the surrealistic commercial by J. Walter Thompson Co., Barcelona, the Jamaican beauty is dressed in red (the soda is red) and sets ice cubes ablaze while dancing wildly and promising, in a most sensual voice, to quench your thirst. Cinzano markets the product only in Spain and Italy.

Speculation about how Spain's January entry into the **European Economic Community** will affect the local economy has become a favorite national pastime. Although local businessmen feel that joining the EEC was sort of "inevitable," they predict disaster for some of the less competitive sectors of Spanish industry, such as home appliances and dairy products, once trade barriers are lifted.

Another indication that big changes are on the way came last month when **Prime Minister Felipe González** replaced six of his 15 cabinet members in a dramatic shakeup that he said was designed to "give a little impulse" to the government before its entry into the EEC. As in so many nations, liquor and cigaret ads are on the hot seat in Spain. Admen here are up in arms over a ban on outdoor and cinema advertising of liquor and tobacco products introduced last month in Barcelona. Spain's second-largest advertising market after Madrid. The ban was contained in legislation passed by Barcelona's autonomous regional government, which decides over matters affecting advertising. Since TV ads of alcoholic beverages and cigarets are restricted all over Spain already, outdoor boards are a major ad outlet to marketers of those products. Admen also fear that the trend to increase advertising restrictions regionally will spread nationwide.

This from the rags-to-riches department: "What's next?" is the question the entire local advertising community is posing to **Tapsa**, the Spanish shop that has rocketed from No. 22 to No. 3 in rankings overnight and last month captured some of the most appetizing accounts on the market.

They included Spain's Iberia Air Lines' \$18 million

domestic and international business as well as the \$9.3 million domestic SEAT auto account. Word on the street is that Tapsa, a nonequity affiliate of **Dancer Fitzgerald Sample**, needs to link up with a U.S. shop fast in order to service the Iberia account. Both DFS and **N.W. Ayer** are said to be courting the hot agency.

Meanwhile, there is additional news of even more possible linkups. The latest comes from Barcelona, where **Saatchi & Saatchi Compton** is apparently acquiring RCP, the hottest shop in town, and **J. Walter Thompson Co.** is buying out GDD, an N.W. Ayer affiliate. Also in Barcelona, **Young & Rubicam** has decided not to purchase a local agency and will open its own office instead.

A Japanese advertising ghost named **Dentsu** is haunting Madrid. Even though everybody in the Spanish ad industry claims to know, for sure, that the world's second-largest agency is prowling for acquisitions here, nobody has ever seen or talked to a single Dentsu executive.

"V," one of the most popular TV series ever in Spain, has been taken off the air by the state-owned Spanish TV network, TV Española, to the dismay of children and adults alike. "V" sparked a nationwide "lizard craze" that was a bonanza to everybody from t-shirt to toy and (lizard-shaped) birthday cake marketers. One child in southern Spain even died as he ate a live mouse after watching the program. "V" has been replaced by "**The A-Team**," starring the famed **Mr. T**, which promises to become equally popular.

If you think August is a down month in the U.S., you haven't been to Spain. Employees here are required by labor regulations to take their annual vacations between June and September, or whenever their company closes down for a summer break, as many companies are prone to do.

The results are that 62% of the population vacations in August, and several big ad agencies even close down for the whole month. Ad execs can be located in **Ibiza** or **Marbella**, both Spanish resort towns, depending on which half of the international jet set they want to be seen with. In addition, all courts of law across the nation are closed in August and the government has no cabinet meetings from late July to mid-September. Not bad, huh?

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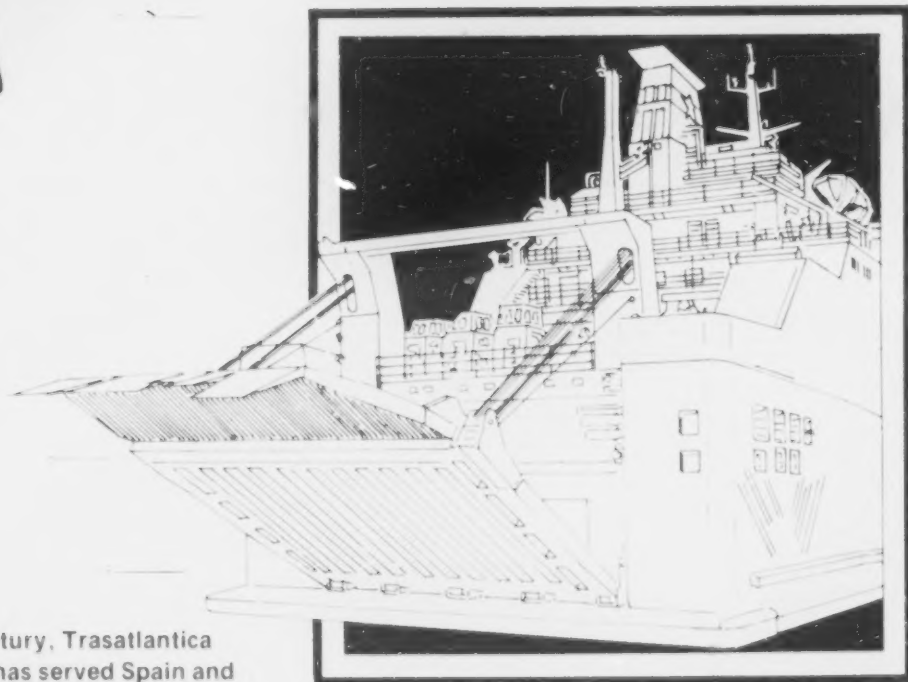
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John Davis Lodge, Honorary Chairman of the Chamber, Dies at 82

John Davis Lodge, United States Ambassador to Spain from 1955 to 1961 and the Chamber's Honorary Chairman for the past eight years, died on October 29th at the age of 82 after suffering a heart attack at a testimonial dinner in his honor at the Women's National Republican Club in New York.

In his long career in public service, Mr. Lodge was a Congressman, Governor of Connecticut, and Ambassador to Spain, Argentina and, most recently, Switzerland, a post from which he resigned earlier this year. He was also U.S. Representative to the United Nations in 1983, served on numerous government commissions, and held important Republican Party posts.

As a young man, Mr. Lodge gave up a law practice to pursue a career as an actor, and he appeared in 14 films in the 1930s.

He was vitally interested in Spanish affairs, and as Honorary Chairman of the Chamber was a faithful attendant at Chamber events. He also served as Chairman of The Spanish Institute.

Chamber President Joseph Sanchez has expressed our sympathy and deep sense of loss to his family.



Ambassador Jaime de Piniés is President of U.N. General Assembly

Ambassador Jaime de Piniés, who first came to the United Nations as First Secretary of Embassy in 1956 and was appointed Ambassador Permanent Representative for the first time in 1968, is currently serving a one-year term as President of the U.N. General Assembly. He was designated by Royal Decree as Ambassador on Special Mission at the United Nations in August to enable him to assume the General Assembly Presidency.

Ambassador de Piniés was born in Madrid in 1917 and received a degree in Law from the University of Madrid. He joined the foreign service in 1944, and besides serving at the U.N., has also held posts in Havana, Manila, London and Washington. After his appointment as First Secretary of Embassy at the U.N. in 1956, he was Deputy Permanent Representative from 1960 to 1968 and Ambassador Permanent Representative until 1972, when he was named as Spain's Ambassador to the Court of St. James in London. In 1973 he returned to the U.N., where he has remained ever since. He has served in 28 regular General Assembly sessions, five emergency and nine special sessions, and on numerous committees, as well as representing Spain in the Security Council in 1969-70 and 1981-82 and presiding at the Security Council in August 1969, October 1970 and October 1981.

During Ambassador Piniés' term as General Assembly President, Emilio Arpaño is serving as Acting Permanent Representative of Spain to the U.N.



Ambassador Jaime de Piniés, President of the General Assembly (right), welcomes President Reagan to the United Nations. Between them is U.N. Secretary General Javier Pérez de Cuéllar.

Sarita Montiel, Spanish Film and Concert Legend, on U.S. Tour



One of Spain's most popular actresses, Sarita Montiel, is currently on a nationwide concert tour of the U.S. with a ballet production entitled "Fuego Flamenco." Directed by Roberto Amaral, "Fuego Flamenco" had its U.S. premiere at Avery Fisher Hall in Lincoln Center on October 20th, followed by concerts in Los Angeles and San Francisco. Other concert dates and locations will be announced.

Sarita Montiel has had a long and outstanding career as a film actress, singer and entertainer. In her teens she won a beauty and talent contest in which the prize was a movie contract. Her first film, in 1944, was an instant success and she made ten more in the Spain before being signed for an American film, "Veracruz" with Gary Cooper and Burt Lancaster, in 1954. She also starred in "Serenade" with Mario Lanza and Joan Fontaine in 1956, and later married its director, Anthony Mann. In Spain she starred in "El Último Cuple" ("The Last Song") which became the biggest box office success in Spain's film history and ran for a year in the same theaters; it was also a smash hit in Western Europe and Latin America. She also made four other hit films in Spain, the soundtrack albums of which reportedly outsold Elvis Presley and Frank Sinatra combined in the world market, winning gold and platinum albums in more than 12 countries.

Since the 1960s Sarita Montiel has combined film making with making highly successful record albums and concert appearances. In 1983 seven of her films were shown in a retrospective of her career at the Autumn Film Festival in Paris, and President Francois Mitterand gave her France's Medal of the Legion of Honor.

For information on her U.S. appearances, contact Fradis Gerdis Productions of Beverly Hills, California at (213) 854-6506.



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(COMPANY OR INDIVIDUAL)

IF A COMPANY, NAME OF
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CITY.....STATE.....ZIP CODE.....

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BUSINESS OR PROFESSION (Please check one or more):

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PRODUCTOS O SERVICIOS CONCRETOS CON LOS QUE NEGOCIA

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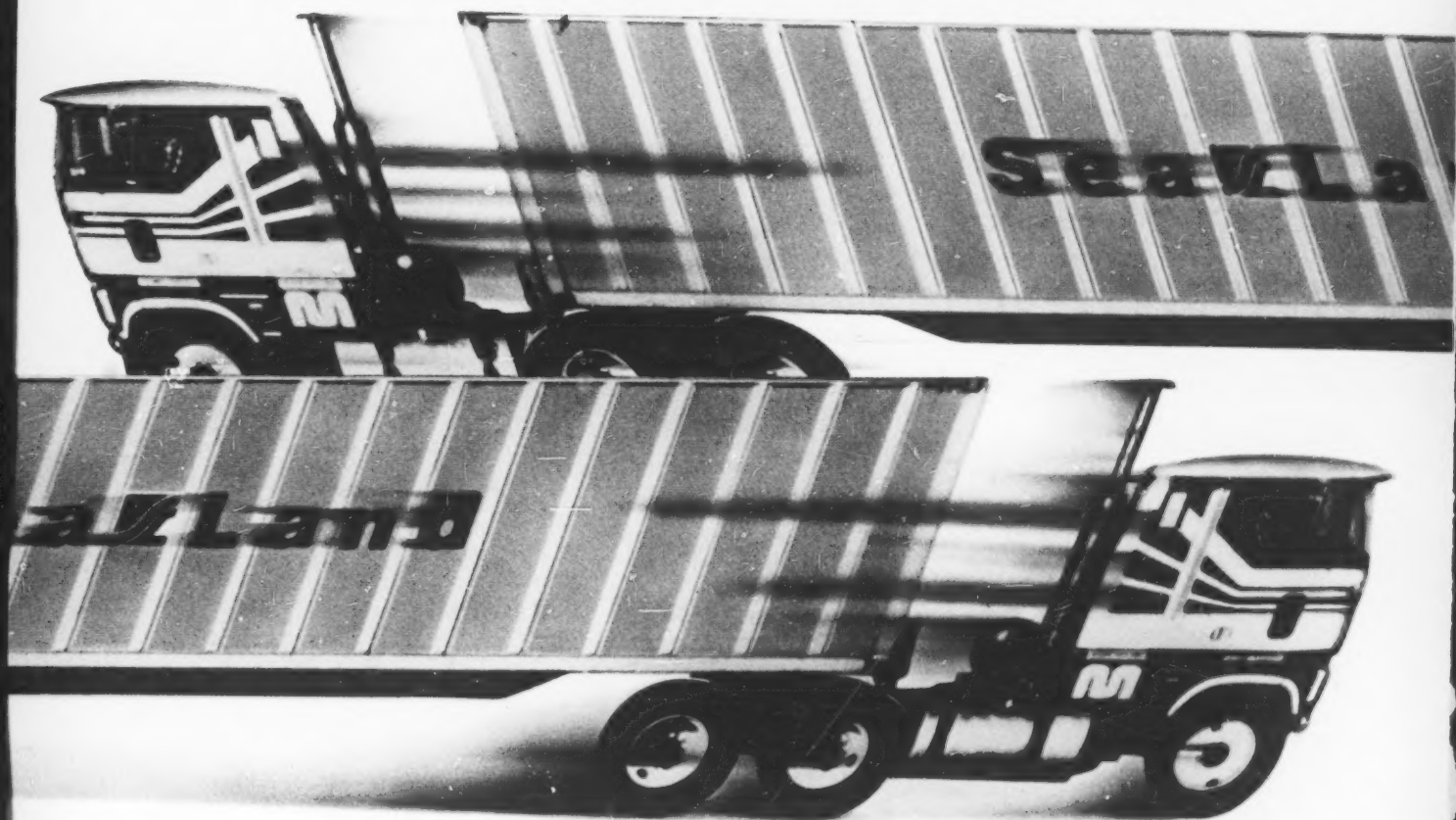


SPAIN-U.S.

THE SPAIN-U.S. CHAMBER OF COMMERCE
NOVEMBER-DECEMBER 1985 No. 141

SPECIAL ISSUE:
Spain and the European Community

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Spain-U.S. Trade Bulletin

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November-December 1985

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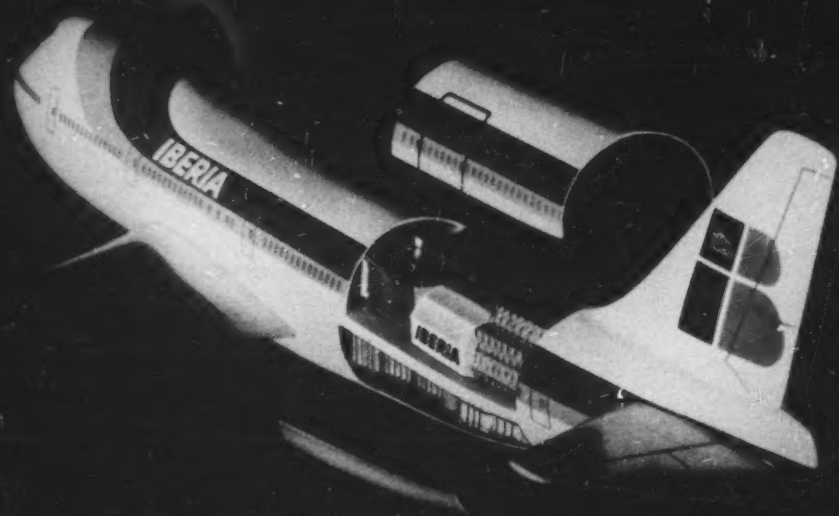
LAYOUT AND PRODUCTION:
DAVID O. THOMAS

COVER: A night view of the Empire State Building, the new home of the Chamber. Early in 1986, the Chamber will move to new and larger offices in the Empire State Building, at 350 Fifth Avenue. There we expect to serve the interests of Spain-U.S. trade and our members better than ever.

The Spain-U.S. Chamber of Commerce wishes all of its members and friends a prosperous, healthy and happy 1986.

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John Davis Lodge

1903-1985

Angier Biddle Duke, also a former United States Ambassador to Spain and now President of the United States-Japan Foundation, has accepted the Chamber's invitation to write a note on the late Ambassador John Davis Lodge, his friend and colleague, who died on October 30th.



Above, John Davis Lodge with Angier Biddle Duke at a Chamber luncheon.

Right, Ambassador Duke in his office.



Although five years had passed since John Davis Lodge departed Spain at the end of his assignment as United States Ambassador, the long shadow of his greatness still lay over his successors when I assumed that position in 1965. I was able to observe for myself that his standards had become our standards; his goals, ours. I can testify that he bequeathed to us a relationship with the Spanish government that has never been surpassed, but I should emphasize that it was by the Spanish people themselves that he will be long remembered.

"Buenos Dias, Excelencia," or even "Hola Juanito," would echo down Calle Goya from passers-by and friendly cab drivers as he strode in the early morning from the Embassy residence at Lista 14 to his office at the old chancery on the other side of the Castellana. And, throughout the day, wherever he went, he had a host of admirers and well-wishers among waiters, foreign ministry bureaucrats, businessmen large and small, bankers and bullfighters.

Of particular interest was his deep continuing engagement with the well-being of the American business community. John put the highest priority on his being accessible to his fellow countrymen doing business in Spain. He presided over the monthly meetings of the American Chamber of Commerce, whether in Barcelona or Madrid. He extended that interest to active leadership in establishing the Spain-U.S. Chamber of Commerce. All this comes back to me with a rush when I think of the imprint he made on the Spain of his time.

What a terrible shock it was to hear of his death. The accounts tell us that on October 30th, he was standing at the podium in the Women's National Republican Club when he was stricken. "His stately bearing was never bent by age," as the Governor of Connecticut subsequently described him. There he was to the last on his feet engaged in a presentation of the issues of the day, as concerned and involved as ever in the problems of our world.

Such a man was for so long the Honorary Chairman and the inspiration of this Chamber. Not for long, not for very long, will we see the likes of him again.

THE CHAMBER SEMINAR:

'The Integration of Spain Into the E.E.C.'

On October 16th, during the celebration of Madrid Week in New York, the Spain-U.S. Chamber of Commerce held a seminar on "The Integration of Spain Into the E.E.C." at the St. Regis-Sheraton. The seminar, with both morning and afternoon sessions, was addressed by a group of distinguished guests from the Spanish political and business worlds (see below). The large and attentive audience became active participants in the discussions, which focused on the impact of the third enlargement of the European Community on the economies both of Europe as a whole and of Spain, the new balance of economic power after the integration of Spain and Portugal, and Spain's future role among the twelve Member Countries.

GUEST SPEAKERS AND TOPICS

What is the role of the EEC as an economic group in relation to the United States and other major powers?

BÄRBEL JACOB, Economic and Commercial Counselor to the delegation of the Commission of the European Communities in Washington, D.C., joined the EEC in 1964 and has held this position since September 1982. Born in West Germany, Miss Jacob graduated from the University of Munich in 1964 with a Masters in Economics and also holds degrees from the Institute d'Etudes Politiques in Paris and the College of Europe in Bruges.

What will be the new balance of economic power after the third enlargement of the EEC, what will Spain's role be among the twelve countries?

EDUARD PUNSET is the former Spanish Minister for Relations with the EEC in the Suárez Government. He is presently Counselor and member of the board of Banco Hispano Americano. Born in Barcelona, he graduated in law in Madrid and holds a diploma in monetary economics from the Sorbonne in Paris and a Master of Economic Science from the London School of Economics.

How will the various fields of the Spanish economy be affected by Spain's entry into the EEC?

GUILLERMO DE LA DEHESA has been Secretary of Commerce of Spain in the Government of Felipe González since 1982. He holds a degree in Law from the University of Madrid, and joined the Ministry of Commerce in 1968. He has held a number of senior positions including those of Director of Foreign Assets Management at the Bank of Spain, General Secretary of the Ministry of Industry and Energy, Director of the Center for Foreign Trade Information (CEDIN) and Spanish Commercial Counselor for Southern Africa.

MORNING MODERATOR:

ANTONIO GARRIGUES WALKER is Director of the law firm of J. & A. Garrigues, which has offices in Madrid, Barcelona and New York, with one scheduled to open in Brussels. He is a former Chairman of the World Association of Lawyers and former Chairman and Director of the Asociación para el Progreso de la Dirección (A.P.D.), a present Commissioner of the Tri-lateral Commission, and a director of several companies. His professional expertise and keen powers of analysis contributed greatly to the success of the morning session.

The IBM experience in Spain; how has European public opinion changed regarding the social and economic role of the multinational companies?

FERNANDO DE ASUA, President of IBM Spain since 1982, is also a board member of IBM Europe. He joined IBM Spain in 1959 and has been Regional Manager for the South American area, Director of Operations for Southwestern Europe, General Manager of IBM Spain, and a board member of IBM World Trade. He holds a Master's degree in economics from the University of Madrid and a Master's in Information Systems from U.C.L.A.

How are individual companies in Spain preparing for integration into the EEC?

GRANT WILSON is a Partner and General Manager for Spain and Portugal, Price Waterhouse & Co. Born in Scotland, he qualified there as a Chartered Accountant in 1954. He joined Price Waterhouse in Bogota, Colombia, in 1957 and in 1971 became a Partner in Price Waterhouse, Middle Americas. He was transferred to Madrid in 1975 and was appointed Partner in charge of the Madrid office in 1979. On July 1, 1985 he was appointed Managing Partner for Spain and Portugal.

What opportunities and challenges does Spain's EEC membership present to the entrepreneur?

MANUEL GUASCH MOLINS, President of Fasa Renault, one of Spain's major automobile manufacturers, has also been since 1979 Director of the High Council of Chambers of Commerce, Industry and Navigation of Spain. Born in Barcelona, he graduated in law from the University of Valladolid and in economics from the University of Deusto in Bilbao. He has been Chief of Cabinet of the Ministry of Commerce and Vice Minister of Commerce, as well as Counsellor of the National Industrial Institute (INI).

AFTERNOON MODERATOR

MARCEL MOLINS is a Partner in the law firm of Baker & McKenzie, Chicago, concentrating since 1964 in the area of legal problems of U.S. companies and individuals investing and/or doing business in Spain and Latin American countries, especially in the fields of taxation, corporate law, investments and conflicts of law. Born in Spain, he graduated in law from the University of Barcelona in 1958. He also holds degrees from the London School of Economics, the Strasburg International Faculty of Comparative Law, the Loyola University School of Law, and the Northwestern University School of Law.



IN HIS INTRODUCTORY REMARKS opening the seminar, Chamber President Joseph Sanchez noted that even though during the past century there have been periods of uncertainty regarding the political status of Spain in the European continent, there is ultimately no doubt that geographically and culturally Spain has been a part of Europe throughout history. Thus its final introduction into the European Community represents both a reaffirmation of this fact and one of the final steps toward the completion of European unity.

During the process of introduction into the EEC, he said, Spain will necessarily undergo dramatic changes in order to adapt to the new structures. However, it will face these changes with courage and probably with a rare flexibility, since the recent political and structural changes that Spain has already undergone in the last decades have equipped the Spanish people with a substantial reserve of resilience and adaptability. The so-called "transition" from a dictatorship to a democratic regime will lead directly into another transition into the European Community, one which Spain will also accomplish successfully.

"Spain has successfully completed the transition from a dictatorship to a democracy, and from a centralist state to a federal or autonomous state," pointed out Antonio Garrigues Walker, President of the Spanish Democratic Reformist Party, who acted as moderator of the morning session of the seminar. Therefore, he added, "I do not have the slightest doubt that we will successfully complete the transition from an isolated

Above, left, Guillermo de la Dehesa speaks during the morning session of the seminar.

Above, right, Bärbel Jacob discusses the role of the E.E.C. as an economic group. From left to right, Mr. de la Dehesa, Eduard Punset, Antonio Garrigues Walker, Chamber President Joseph Sanchez and Executive Director Miguel Sebastià, and Miss Jacob.

Below, the afternoon panel: (L to R) Mr. Sebastià, Manuel Guasch, Grant Wilson, Marcel Molins, Fernando de Asua, and Mr. Sanchez.



Photos by MIGUEL ZAVALA

and insecure Spain to an imaginative, protagonistic, competitive and ambitious Spain. If this comes to pass, Spain will have the right to feel fulfilled and proud, as it will have adapted to the Western world in a record period of time, without trauma and violence but with a great degree of efficiency and dignity. Spain has given, without doubt, a historical example of political maturity, and this fact must be considered when thinking about its potential and its future."

For Mr. Garrigues, a European Spain would be a very positive factor for the "revitalization of the process of the unification of Europe and the surmounting of the 'eurosclerosis' and 'europessimism' of the Community," as well as for the improvement of relations with the Latin American world and "the restoration of the balance between an Atlantic and a Mediterranean Europe, with the creation of a new axis with special influence in Africa."

Finally, Mr. Garrigues said, becoming a part of the European Community will offer Spain the opportunity to increase its internal level of demand, operate with a more comprehensive and clear set of rules, speed the solution of the Gibraltar dispute, and normalize diplomatic relations with Israel; and generally it will encourage Spain to develop its enormous potential. "As soon as Spain arises from its historical lethargy it will be difficult to curb its vitality."



During the afternoon session of the seminar, Fernando de Asua discusses the IBM experience in Spain. From left to right, Mr. Wilson, Mr. Molins, Mr. Sanchez, Mr. de Asua, and Mr. Sebastia.

For H.E. Guillermo de la Dehesa, Secretary of Commerce of Spain, the entry of Spain into the European Community will have a positive influence on Spanish imports and exports. The initial inflow of imports into the Spanish market due to the modification of the tariff system will result in a reduction of domestic prices, forcing many companies to strengthen their export programs and to offer cheaper and more competitive products for export.

"In the first year there will be an enormous inflow of European imports into the Spanish market, mainly of consumer goods and equip-

ment," said Mr. de la Dehesa. "If in 1986 Spain does not grow, it will be difficult for imports to decrease. However... in the medium term, after the first impact, import inflow will depend more on the exchange rate movement of the Spanish peseta in relation to the other European currencies."

Generally speaking, he said, in the long term the impact of joining the EEC "will be very positive, mainly due to the transition from a market of 40 million, today's figure for consumers in the Spanish domestic market, into a market of 300 million."

Different sectors of the Spanish economy will react differently to this initial impact. The agricultural sector will in the first four years, suffer considerably from the treaty's terms which foresee a 10-year transitional period versus the normal 7-year span.

Tourism, on the other hand, will profit immediately from Spain's European membership. Mr. de la Dehesa said, since there will be no exchange restrictions with the Community, and Spain has become a popular place for retirement and vacation for Europeans.

Freights and insurance will probably experience a recession when faced with more competitive EEC services, he felt, but foreign investment is expected to increase considerably, both from Spain into the

At right, Mr. Punset talks on the balance of economic power after the third enlargement of the E.E.C.



EEC and from Europe and the rest of the world into Spain.

Although H.E. Eduard Punset, former Spanish Minister for Relations with the EEC, expressed his enthusiasm at the entry of Spain into the European Community, he said that "the most important factor in recent Spanish history had been the opening up of Spanish society after 400 years of isolation," through the transition into a democratic regime. Still, he added, the Spanish public was convinced that "democracy will never been consolidated until the day we are full members of the EEC." There was, therefore, a certain amount of political anxiety involved in the desire to enter the Community. EEC membership also represents, he said, "the first liberalization of our economy since the 1959 stabilization program with the International Monetary Fund. . . And every time the Spanish economy opens up, the result has always been to our advantage."

Mr. Punset said that in his opinion the reasons for Spain's delay in entering the Community have been, basically, first, the difficulty involved in carrying out the reforms required to attain the Community's minimum standards of economic performance, without which membership could not be considered. Second, the mistaken belief that a multilateral agreement with members of the EEC was the correct political strategy for entry negotiations—"without ques-

tioning the bilateral agreements with some members, particularly France, which were going to be directly affected by our entry." Probably, added Mr. Punset, "the main merit of the Spanish Socialist Government, since the moment they were elected in 1982, was to see this question the right way. They decided to talk directly to the French."

The Chamber thanks the following for their cooperation in organizing the Seminar:

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10. Greece

**3rd ENLARGEMENT
(January 1986)**

11. Portugal
12. Spain



Above, Mr. Garrigues Walker, Mr. Sebastián and Mr. de la Dehesa.

At right, the seminar was also privileged to hear the views of Enrique Tierno Galván, Mayor of Madrid (at microphone), who was here for the celebration of Madrid Week in New York.



An Interview with Ambassador Manuel Sassot

Spain's recently appointed Consul General in New York discusses New York, NATO, Israel, and the "image" of Spain in the United States.

Q How do you see the role of the United States in the present international diplomatic relations?

A The United States exercises vital influence in international relations today. Its capacity to influence is based on its demographic, economic, technological and cultural potential. Nobody will debate this fact. But it is my belief that their influence comes from a political and ethical concept shared by many human beings and countries of the world. I am quite sure that there are quite a lot of people who will disagree with me. But when one wishes to speak candidly and without demagogic slogans it is impossible to ignore the moral reasons behind many of the American political decisions.

Q What in your opinion is the importance of the City of New York in the diplomatic world and as a center of commercial relations?

A New York is the forum of the United Nations. If only due to this circumstance, from the diplomatic viewpoint its importance is outstanding. Very frequently, and especially during the General Assemblies of the U.N., New York becomes the capital *par excellence* of diplomatic relations. There is no Secretary of Foreign Affairs who does not concentrate in New York the most important contacts and meetings that will later on become associated with New York City in the history of international relations.

But although the political role of New York might be reduced to being a pleasant frame for almost everyone, the City is the capital of the economic and commercial world. Wall Street and Dow Jones are two concepts of a very palpable reality of magical influence. The commercial conquest of New York should be a priority in the minds of many of our companies.

If your product is introduced in New York and stays in New York there is a guarantee that it will be permanently exhibited to the rest of the world. Of course, to accomplish this is really tough, and only with an aggressive approach and a product of excellent quality can it be achieved. In this respect, the job of the Chamber in channeling and advising our exporters can be of the greatest importance.

Q What is presently the policy of the Spanish Government regarding NATO, and what, if any, is the influence of this policy on the commercial relations of Spain today?

A There is no correlation whatsoever between Spanish Government policy regarding NATO and Spain's commercial relations.

I have always doubted that any political attitudes can influence commercial relations. Apart from sup-



porting the thesis of a well known English politician regarding the lack of friendship between countries, because the only thing that matters is convenience, the real truth is that agreements are signed on the basis of quality and price. At least in the free world; and we really would not wish to belong to the other anyway.

Q What, in your opinion, is the importance of the Jewish community in the City of New York, and, in general, in the United States?

A If I had not already had an opinion, the reading of two books, *A Certain People* by Silberman and *They Dare to Speak Out* by Findley, recently published, would be an eloquent testimony, although not always convincing, of the important presence and weight of the Jewish community in American life.

Q We know you have recently been involved in negotiations for the Spanish Government with Israel. Could you kindly give us some information on the subjects discussed in these negotiations?

A In my previous position as Director General of Foreign Policy for Africa and Continental Asia, I had numerous contacts with Israeli representatives. We did not negotiate, as that was not the point. We laid out the ground so that when the time comes to establish diplomatic relations the result of this decision may be favorable for both countries and will be understood as a relaxing factor, not a tightening one in the area. This preoccupation I believe to be the reason for the slow process.

Q In your opinion, what kind of economic and commercial advantages will result from the achievement of negotiations between Spain and Israel?

A Our entry in the Common Market and the relation of Israel with the E.E.C. through its preferential agreement, present a concrete and specific frame to our economic relations. We cannot foresee at this time relations with Israel from a viewpoint of economic and commercial advantages, which right

now are scarce. The establishment of relations between Spain and Israel is more a renaissance of connections between two cultures that have lived together and which branch out from the same tree. The rest will come by itself.

Q How have you found the attitude of the Jewish community towards Spain?

A Since my arrival in New York I have had three meetings with different personalities and organizations. The wellbeing of Israel is paramount to them all. From that position they wish and request the establishment of relations with the Jewish State. Thereafter, I have always met with cordiality and good disposition towards my country, which may rise considerably when they see their wishes realized.

Q What is your opinion about the image of Spain, and what possible ways to you see of adding to the presence of Spain in New York?

A This reference to the "image of Spain" always worries me. The country has its history, tradition, culture, *modus vivendi*, and the image of Spain is the compendium of these and other elements. Nevertheless, the mugging of an American tourist in a Spanish city will leave a "bad image of Spain." Others will not get an exact image of Spain. It sounds like a far away and picturesque land. This feeling is declining,

but still exists. There are many who ignore the economic and commercial potential of the country. What can we do? Insofar as we are vitally interested in increasing our presence in the United States—and this is something of which I am positive—Spain has to come out with a permanent, coherent, and suggestive public relations office. This office should display our reality to the American public, presented in an "American" style, and thus addressed to their sensibility. We are not only what we are, but also what we appear to be. It is, therefore, most important to work for an improved result. I have many times witnessed efforts from several Spanish sectors to introduce themselves in this country. Some—the least—do so successfully. Others, because of lack of knowledge of the market they are facing, fail. To avoid this latter case, the chambers of commerce should multiply their efforts toward supportive advice and counseling.

On the other hand, I believe voluntary coordination among the organizations seeking closer ties between our two countries can be a valuable tool in the creation of a good image. Last but not least, I would underline the importance of seeing, one day in the near future, the construction along one of the great avenues of New York of a large SPAIN building which would host the meeting of said coordinating efforts and be a place where Americans can find an advance of the beauty of Spain.

Plan de acción conjunta entre la Cámara y el Consulado

La Cámara ha mantenido diversas reuniones con el Consulado de España, estudiando la posibilidad de incrementar las magnificas relaciones existentes entre ambas instituciones. En este sentido, se ha presentado al Consul General D. Manuel Sassot, un plan de acción conjunta a desarrollar a partir del próximo año.

Par Miguel Sebastián, director ejecutivo de la Cámara, dicho plan ha de ser considerado como

muy positivo. "El embajador Sassot ha captado de inmediato la importancia y la necesidad de coordinar esfuerzos para mejorar nuestras relaciones con instituciones y personalidades norteamericanas, dando la auténtica imagen que corresponde a nuestro país hoy en día".

"En el mundo moderno", añadió Sebastián, "los países se conocen principalmente a través de las relaciones económico-comerciales, por lo que las nuevas cámaras de comercio, como punto de encuentro entre los sectores público y privado, cobran una importancia decisiva a la hora de acercar a los distintos países entre sí. Hay que hacer notar la particular importancia de las cámaras de comercio en los Estados Unidos, y en concreto la de Nueva York, como puerta de entrada al mercado norteamericano".

El embajador Sassot coincide en señalar que "la conquista de Nueva York debe ser una prioridad en las mentes de muchas compañías españolas, pues cuando se ha introducido un producto en Nueva York se cuenta con la garantía de tener un producto en exposición permanente de alcance universal. En este sentido," termina el embajador, "el trabajo de la cámara para orientar y centrar el trabajo de nuestros exportadores, me parece de gran importancia".



Antonio Camuñas y Miguel Sebastián con el Consul General.

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The Accession of Spain to the Community

Price Waterhouse has provided an excellent summary of the terms of the treaties of accession. On the following pages the legal and other aspects of Spain's joining the European Community are discussed in more detail.

Introduction

It was eight years ago, in March and July 1977 respectively, that Portugal and Spain applied for European Community membership. Following a positive response from the European Commission, negotiations began with Portugal in October 1978 and Spain in February 1979. These negotiations have now been completed with the agreement reached at the end of March 1985.

The signature of the treaties of accession took place on June 12, 1985 and both countries should officially join the European Community on January 1, 1986.

The population of the Community will increase by some 50 million to a total of 320 million inhabitants, i.e. 7% of the world's population.

Although the enlargement will significantly increase the Community's resources in all sectors, it will also have the effect of aggravating many of the Community's problems, notably in agriculture, but also in some declining industries such as steel, textiles and shipbuilding.

We examine below the economic situation of the candidate countries prior to their accession and the provisions regarding the transitional periods for the adoption of the "acquis communautaire."

THE BACKGROUND: SPAIN

Before the worldwide economic recession of the past decade, Spain enjoyed strong economic growth, made possible to a significant extent by a protective wall of tariff and non-tariff barriers.

INDUSTRY

Spain is ranked as the tenth greatest industrial power in the world and in the Community of Twelve will rank fifth. However, Spain's indus-

trial productivity is currently about 40% less than that of the present Community, and despite recent growth wages per capita are much lower than in the present Community.

We examine below some of the main industrial sectors, and more specifically those suffering from structural overcapacity.

- **Iron and steel.** Spanish production reached 12.6 million tons in 1980 (equivalent to 9.8% of the steel produced by the Community of Nine in the same year). The Spanish export figures and the relative growth of production run counter to the pattern of Community production, which is declining.

Production and exports of iron and steel products by Spain

millions of tons

Year	Capacity	Production	Exports	% of production exported
1974	13.5	11.4	1.0	8.8
1977	15.1	11.2	3.5	31.2
1980	16.9	12.7	5.9	46.5

The Spanish authorities have undertaken to modernize and restructure this sector with a view to making it more competitive. This will become increasingly important on Spain's accession to the Community because of current overcapacity in the steel industry in the Community.

- **Textiles.** Textile production represents about 10% of GNP and occupies 12% of the industrial working population.

The level of technology in the textile industry is still very low. In its industrial restructuring plan for the textile sector, the Spanish government aims to improve productivity

and quality, stimulate investment and research, and reduce the number of jobs.

- **Shipbuilding.** Despite the slump in shipbuilding (from 1.8 million gross tonnage in 1971 to 557,000 in 1982) Spain will rank second only to West Germany in the enlarged Community. Efforts are being made to diversify the activities of shipyards, improve technology and marketing, and make the industry more competitive.

- **Footwear.** The footwear industry is very well developed in Spain. It is very competitive, and so could pose a threat to the most important manufacturing countries in this sector in the Community, notably Italy and France.

AGRICULTURE

The agricultural workforce accounts for 20% of the working population in Spain, and agricultural products account for a fifth of total exports. The Community already takes about 60% of Spain's total agricultural exports, but supplies only 10% of the country's agricultural imports.

Spanish agriculture is particularly competitive in the production of fruit (especially citrus fruit), vegetables, wine and olive oil, and the accession of Spain will exacerbate surpluses in these areas. On the other hand Spain has to import dairy products, cereals and beef meat.

The Spanish agricultural sector is characterized by both huge estates and small holdings of under 5 hectares, and productivity of Spanish agriculture is below the present Community average. Great efforts have still to be made to rationalize production, extend irrigation, and exploit hitherto underused land.

THE ACCESSION OF SPAIN TO THE E.E.C.

Marketing and distribution networks for many agricultural products are still poor.

Fishing

Directly or indirectly, the fishing industry occupies about 700,000 people in Spain—100,000 more than in the ten current Member States together. Spain has one of the world's largest fishing fleets but has very limited fishstocks in her national waters. This has led Spain to conclude numerous fishing agreements with non-Community countries in order to make up for the shortfall in her natural resources. These agreements will have to be taken over by the Community.

Trade — EEC/Spain

A preferential trading agreement was signed in June 1970. Since the beginning of 1973, Community tariffs on almost all Spanish exports have been cut by 60%. For some goods, such as shoes and textiles, tariff reductions were negotiated in 1977 but limited to 40%.

About half of Spanish agricultural exports (citrus fruits, olive oil, some wine and other fruit and vegetables) are allowed tariff reductions of between 25% and 60%. Spanish tariff concessions cover a large part of Community exports (the average rate of tariff duty in Spain amounts to 25%. Besides using tariff protection, Spain also applies import quotas.

Analysis of Spain's trade figures shows that the Community is still its largest supplier and customer. It took 44% of the country's total exports in 1983, well ahead of Latin America (11%) and North America (7%).

As a supplier to Spain, the Community provides 29% of total imports, followed by the Middle East (21%) and North America (12%).

TREATY OF ACCESSION PROVISIONS

Industry.

With regard to Spain, the entry into the customs union will result in an eventual elimination of remaining customs duties.

It has been finally agreed that the customs union between Spain and the rest of the Community will be

achieved after a transitional period of seven years (10% reduction in duties two months after the accession, 12.5% after one year; 15% for each of the two following years; 12.5% for each of the fourth, fifth and sixth years; and 10% in the last year). Quantitative restrictions between Spain and the Community will be eliminated as from January 1, 1986 except for certain sensitive products for Spain. Trade in textile products will still be subject to restrictions on control for four years and a special regime is to be provided for cars imported into Spain.

A transitional period of seven years has been provided for the adoption by Spain of the common customs tariff.

Within three years following accession Spain will have to restructure its steel industry in order to comply with Community policy, and will be allowed to grant subsidies for that purpose.

Lastly, Spain will adopt as from the date of accession the Community rules on competition and will introduce value added tax.

Agriculture

- General transitional period.

• Fruits and vegetables will be subject to a ten year transitional period. For the first four years there will be a progressive decrease of tariff duties. In a second stage, prices and external protection schemes will be progressively harmonized. In 1996 all barriers will be completely removed.

• **Supervision of trade exchanges.** All fruits and vegetables as well as certain dairy products, beef meat, wine, etc. will be subject to supervision for ten years. Indicative import ceilings will be fixed, and if these are exceeded certain measures will be implemented by the Commission.

Fishing

The Spanish fishing industry will be progressively be integrated into the Community. The Spanish fishing fleet will face restrictions on the number of trawlers that can enter specified zones and how much they can catch.

Social Affairs

All social provisions currently in

force in the Community (covered by the European Social Fund) will apply to Spain and Portugal when they enter the Community.

With regard to the free circulation of workers, the present Member States will be authorized to maintain national provisions for a transitional period, submitting Spanish and Portuguese nationals to prior authorization regarding immigration undertaken in order to obtain employment. The transitional period may last for seven years.

Special provisions have been included with regard to Spanish and Portuguese workers already established in the Community with their families.

A special safeguard clause valid until December 31, 1995 can be applied by Luxembourg if necessary).

INSTITUTIONS

Commission. The number of commissioners will increase by three (two for Spain and one for Portugal).

Council of Ministers. Except where otherwise provided, the Council of Ministers votes by a majority of its members. In most cases, however, the treaties stipulate either unanimity or qualified majority. In calculating a qualified majority, Member States have the number of votes laid down in the treaties: Germany, France, Italy, United Kingdom 10 each; Belgium, Greece, Netherlands 5 each; Ireland, Denmark 3 each; Luxembourg 2.

Spain will be allowed 8 votes and Portugal 5.

In the new Community of Twelve, when the Council has to act on a proposal from the Commission, 54 votes will be required to obtain a qualified majority.

In other cases at least 54 votes will be required for a majority and they must be cast by at least eight countries.

European Parliament. The number of members of the European Parliament will be increased by 60 for Spain and 24 for Portugal. These new members will be designated either by the national parliaments or through a complementary election.

European Court of Justice. The

(CONTINUED ON PAGE 20)

Repercusiones legales de la entrada de España en el Mercado Común: Breves consideraciones

The accession of Spain poses logical problems of adaptation of the existing legal system of Spain to a new set of laws and new and unfamiliar norms and legal institutions.

POR VIRTUD de la adhesión de España a la Comunidad Europea, el Derecho Comunitario adquirirá en España plena vigencia, pasando así a convivir con el ordenamiento interno preexistente. Ello constituye, sin duda, un fenómeno de indudable interés, no solo teórico sino también práctico.

Se plantean, en efecto, problemas lógicos de adaptación del sistema legal preexistente a los principios prevalentes del nuevo ordenamiento, y al mismo tiempo, qué duda cabe, la subsiguiente convivencia de ambos ordenamientos en el marco de un mismo Estado dará lugar a frecuentes problemas de interrelación de normas e instituciones legales.

Aparentemente, la situación se complica, aún más, a raíz de la división territorial del Estado Español, organizado a partir de la Constitución, en Comunidades Autónomas, cada una de las cuales cuenta con un sistema normativo propio.

Nos encontraremos de esta forma, ante tres ordenamientos coexistentes (el autonómico, el estatal y el comunitario) que exigirán una adecuada interrelación para su debida aplicación.

Esta interrelación va a descansar no tanto sobre el principio de jerarquía o de supremacía de un ordenamiento sobre otro sino por el contrario, sobre el principio de separación de competencias. El artículo 93 de la

Constitución (redactado precisamente para a la adhesión de España a la Comunidad Europea), permite la atribución de competencias constitucionales específicas—ya estatales o autonómicas—a una organización internacional, previa autorización legislativa de las Cortes Generales en forma de ley orgánica. Esta autorización, concedida el pasado día 2 de Agosto de 1985, por virtud de la Ley 10/85, permite pues, a la Comunidad Europea asumir con carácter exclusivo, un poder—legislativo, ejecutivo y judicial—necesario para ordenar jurídicamente las materias que caen bajo las competencias atribuidas.

Esta cesión parcial de soberanía constituye el soporte jurídico de la llamada "supremacía" del ordenamiento comunitario sobre las normas internas, y guarda relación con el llamado efecto directo del Derecho Comunitario. Este efecto, que alcanza en principio únicamente a los Reglamentos y a las Directivas, tiene como consecuencias las siguientes:

- 1) Las normas comunitarias no necesitan ser traspuestas o traducidas a normas de Derecho Interno, sino que son directamente aplicables desde su publicación en el BOCE (Diario Oficial).
- 2) Las normas comunitarias son fuente inmediata de derechos y obligaciones para todos aquellos a quienes conciernen, sean Estados Miembros o particulares, que sean parte de las relaciones jurídicas derivadas del Derecho Comunitario.
- 3) Las normas comunitarias pueden ser directamente invocables por los particulares ante los órganos jurisdiccionales de los Estados Miembros, que tienen obligación

de aplicarlas.

Estas consecuencias son de una importancia fundamental, por cuanto que obligan a los jueces nacionales a no aplicar las leyes nacionales que sean contrarias a las normas comunitarias, ni a esperar que aquellas sean derogadas por los órganos nacionales competentes.

La tarea de adaptación del ordenamiento jurídico español al comunitario será pues compleja y considerable, no debiendo de descartarse la posibilidad de que se produzcan ciertas resistencias a la hora de aplicar estos principios.

PRINCIPIOS DE LA COMUNIDAD

1. LIBRE CIRCULACION DE MERCANCÍAS.

Los artículos 30 y siguientes de la Ley Orgánica de Autorización para la Adhesión de España a las Comunidades Europeas establecen, conforme a los artículos 9 y siguientes del Tratado de la CEE, la progresiva desaparición de todos los derechos arancelarios y exacciones de efecto equivalente que graven el comercio entre los Estados Miembros. En concreto, se establece el plazo de 8 años para la total y definitiva supresión de aranceles, estando prevista la aplicación de la última reducción del 10% el 1 de Enero de 1993.

A estos efectos, interesa destacar que tanto la correcta clasificación de las mercancías a efectos arancelarios, como la fijación del país de origen de la mercancía y la determinación de su valor, ofrecen ciertas dificultades prácticas, que en ocasiones han sido objeto de resolución por el Tribunal Comunitario y que es previsible que den lugar a conflictos en

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el caso español.

La prohibición de existencia en el mercado intracomunitario de derechos arancelarios y exacciones de efecto equivalente alcanza igualmente a los gravámenes de naturaleza fiscal que posean los mismos efectos que los derechos arancelarios. Con motivo de la aplicación del Impuesto sobre el Valor Añadido en España (Ley 2 de Agosto de 1985 y Reglamento de 30 de Octubre de 1985), a partir del 1 de enero de 1986 desaparecerán el Impuesto General sobre el Tráfico de Empresas, el Impuesto de Lujo, el Impuesto español de Compensación de Gravámenes Interiores y otros de menor entidad. Desaparecerá también, la desgravación fiscal a la exportación.

Como complemento al establecimiento de las medidas arancelarias anteriores, el funcionamiento de un mercado común exige también la adopción de medidas comerciales. En este sentido, el artículo 42 del Acta de Adhesión suprime las restricciones cuantitativas a la importación y a la exportación, fijándose un plazo de 3 y 4 años para seguir estableciendo restricciones cuantitativas a la importación de una serie de productos.

La desaparición de aranceles y contingentes unida a la eliminación de la desgravación fiscal a la exportación y disminución del crédito oficial provocará, a corto plazo según fuentes de la propia Administración, un efecto negativo en nuestra balanza comercial, al incrementarse las importaciones y disminuir las exportaciones. Este efecto negativo se verá compensado, sin embargo, a medio plazo, al incrementarse nuestro mercado doméstico por diez, lo que forzará, sin duda, a una mayor competitividad de nuestras exportaciones.

Supresión de los monopolios comerciales. A partir del 1 de Enero de 1986, España deberá de adecuar progresivamente los monopolios comerciales (tabacos y petróleo) de forma que en 6 años quede asegurada la exclusión de toda discriminación entre los nacionales de los Estados miembros respecto de las condiciones de aprovisionamiento y ventas, eliminando asimismo, los derechos exclusivos de importación-exportación y ofreciendo garantías

a los minoristas.

A las concesiones para estancos o gasolineras podrán optar los ciudadanos y empresas, tanto nacionales como comunitarios mientras que la importación de productos petrolíferos y de tabaco contarán al principio con unos contingentes de base que irán aumentando progresivamente hasta su total liberalización.

La supresión a los monopolios constituirá, sin duda, para las industrias españolas de petróleo y tabaco un verdadero desafío, y permitirá en algunos casos, el acceso a un gran mercado europeo.

Agricultura y Pesca. Los objetivos de la política agrícola comunitaria se definen en el artículo 39 del Tratado CEE. Se pretende, en definitiva, incrementar la productividad, garantizar un nivel de vida adecuado para la población agrícola, estabilizar los mercados y asegurar los suministros y los precios en forma razonable.

Sin entrar en un análisis minucioso de las condiciones establecidas en el Tratado de Adhesión para cada producto es interesante esbozar unas líneas generales que nos permitan conocer mejor las repercusiones de nuestra entrada en materia agrícola y pesquera:

a) Frutas y Hortalizas. Durante los 4 primeros años se mantendrán las actuales restricciones a las exportaciones españolas, que representan actualmente casi el 75% del mercado europeo, reduciéndose (según los productos) los aranceles hasta desaparecer al término de los 10 años el período transitorio.

b) Productos europeos. La producción de productos lácteos, carnes y cereales resulta más competitiva en la Comunidad Económica Europea. En concreto, España podrá fijar contingentes para la importación de estos productos durante los 4 primeros años, debiendo ser total la liberalización al final del plazo de transición de 7 años.

c) Vinos. Los precios de garantía de la CEE son casi el doble de los españoles, debiendo de realizarse la aproximación de precios en un período de 7 años. España renuncia a la práctica de mezclar caldos tintos y blancos en un plazo de 4 años. Las exportaciones a la CEE pueden verse

gravadas por montantes correctores, fijándose primas al arranque de viñedos, y límites a la replantación.

d) Aceite de oliva. Se establecen ayudas a la producción, realizándose la aproximación de precios de forma progresiva hasta la reforma del régimen comunitario que impondrá techos de producción para evitar excedentes.

e) En materia pesquera España ha conseguido un acuerdo ventajoso. Así, por ejemplo, se permite una cuota de merluza del doble de la permitida actualmente, permitiendo faenar a 300 pesqueros en aguas comunitarias (lo cual se corresponde prácticamente con el número real). Los acuerdos entre España y otros países irán gradualmente siendo asumidos por la propia CEE, pudiendo España participar asimismo en los acuerdos comunitarios.

2. LIBRE CIRCULACION DE PERSONAS Y SERVICIOS.

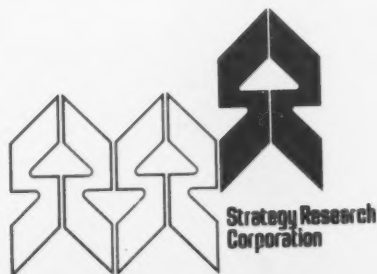
Este principio, recogido en los artículos 48 y siguientes del Tratado CEE, se manifiesta a través de la libre circulación de trabajadores asalariados, la libertad de establecimiento y la libre prestación de servicios, tanto de personas físicas como jurídicas.

La importancia práctica de la normativa comunitaria en esta materia, el recelo a que se produzca una avalancha de trabajadores españoles a los países comunitarios, justifica la fijación de un período transitorio de 7 años en que se retrasa la aplicación de este principio, sin perjuicio de los derechos adquiridos por los trabajadores españoles establecidos ya en los Estados Miembros. Transcurrido dicho período, cualquier trabajador español podrá invocar tanto la libertad de acceso como de ejercicio no discriminatorio de actividades asalariadas en el seno de la Comunidad Europea.

Al amparo de la cláusula general de no discriminación, la normativa comunitaria ha ido enumerando una serie de circunstancias en las que resulta actualmente ilegal discriminar entre los nacionales de los Estados Miembros. Así, por ejemplo, los emigrantes y sus familiares dependientes podrán disfrutar de los mismos beneficios de seguridad social y de las mismas ventajas fiscales que los nacionales del Estado en que se

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hallan, incluso aquellas cuya concesión sea discrecional por parte de las autoridades estatales. Tendrán también igual acceso a la formación y reeducación profesional, a los sindicatos, (incluyendo el derecho de sufragio activo y pasivo), y a la vivienda, siendo nula cualquier cláusula de convenio colectivo que imponga o autorice discriminaciones entre trabajadores de diferentes Estados Miembros.

Las únicas limitaciones impuestas al principio de libre circulación de trabajadores derivan de razones de orden público, seguridad y salud públicas, quedando únicamente exenta de esta principio el empleo en la llamada Función Pública.

La libertad de establecimiento, tanto para las personas físicas como jurídicas, como la libre prestación de servicios beneficiará enormemente la penetración de compañías extranjeras en la Comunidad Europea. El Tratado CEE exige únicamente dos condiciones para el ejercicio de este derecho por parte de las Sociedades: (i) que se constituyan conforme al derecho de un Estado Miembro; y (ii) que tengan su sede social, administración central o centro de actividad principal dentro de la Comunidad.

Estos supuestos están incorporados en la Ley española de Represión de Prácticas Restrictivas de la Competencia de 20 de julio de 1963, Ley que se inspira y copia literalmente algunos de los párrafos del Tratado en esta materia. Merece especial atención sin embargo, el capítulo dedicado a las ayudas estatales. El artículo 92 establece la incompatibilidad con el Mercado Común de cualquier clase de ayudas estatales u otorgadas con cargo a fondos públicos que falseen o amenacen falsear la libre competencia, favoreciendo a determinadas empresas o producciones en la medida en que afectan a los intercambios comerciales con los Estados Miembros.

En este sentido, la Comisión Europea tendrá que llevar a cabo un exhaustivo examen de las bonificaciones fiscales, subvenciones y desgravaciones concedidas a compañías españolas, así como de las ayudas concedidas en sectores especiales como el electrónico y en industrias de interés preferente a través de la

concesión de créditos preferentes por instituciones oficiales, lo que producirá, sin duda, un impacto destacado en dichas industrias.

POLITICA FISCAL

La reciente aprobación de la Ley y el Reglamento del Impuesto sobre el Valor Añadido representa en España una verdadera revolución en materia de imposición indirecta. En concreto, desaparecerán, tal y como hemos indicado anteriormente, el Impuesto General sobre el Tráfico de las Empresas (ITE), el Impuesto de Lujo, el Impuesto de Compensación de Gravámenes Interiores, y otros de menor entidad que gravan el consumo. Subsistirán, como figuras más importantes entre los impuestos indirectos, el Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados, algunos impuestos especiales y derechos del arancel aduanero.

Como notas más importantes de este impuesto podemos resaltar las siguientes:

(1) El IVA grava las entregas de bienes y prestaciones de servicios efectuadas por empresarios y profesionales y las importaciones de bienes (artículo 1). Se amplía así enormemente el ámbito de sujetos pasivos de la imposición indirecta, extendiéndola a 600.000 profesionales, así como a minoristas, agricultores, pescadores, y en general a quienes realicen una actividad comercial continuada, quienes actuarán como intermediarios para su cálculo y gestión, en tanto que será el consumidor quien soportará la carga efectiva del impuesto.

(2) Los artículos 27 y siguientes de la Ley establecen un tipo impositivo general del 12%, un tipo reducido del 6% para los productos de primera necesidad, y un tipo máximo del 33% que grava los productos considerados de lujo y los automóviles. Entre los productos sujetos al tipo

del 6%, la Ley cita, entre otros, los productos alimenticios, libros, periódicos, material escolar, medicamentos, viviendas, transportes, servicios de hostelería en general, etc.

(3) El IVA grava únicamente el valor añadido que adquieren los productos en cada proceso de transformación o comercialización. Así, cada empresario o intermediario calcula el IVA derivado del precio de sus productos (IVA devengado) y le resta el IVA que le ha cargado a él su proveedor (IVA soportado), ingresando la diferencia o en su caso, reclamándola si resulta negativa. La facturación deberá hacerse trimestralmente, salvo las empresas con facturación anual superior a los 1.000 millones de pesetas, que deberán hacerla mensualmente.

(4) La Ley prevee un régimen de infracciones y sanciones que pueden llegar hasta el 500 por 100 del recargo omitido por cada una de las adquisiciones o importaciones efectuada sin la correspondiente repercusión.

Es interesante destacar, por último, que el IVA es un impuesto neutral, que presenta ventajas obvias en relación a los impuestos en cascada como el ITE, que discriminan aquellos productos con menor grado de procesamiento, y que ha constituido en ocasiones, un importante incentivo a la inversión, como lo demuestra su rápida expansión en más de treinta países de características socioeconómicas muy diversas.

Entre los inconvenientes derivados de la introducción de este impuesto en España, podría hablarse de problemas administrativos, en cuanto que la complejidad de este impuesto requerirá un sustancial proceso de adaptación en su gestión y control así como un aumento en el índice de inflación, estimado por la propia Administración, entre un 2% y un 4%. □

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Spain's Entry Into the European Community

BETWEEN February 9th, 1962, when the Spanish Minister of Foreign Affairs formally solicited the opening of negotiations in order to establish institutional ties with the newly born European Communities, and June 1985, when the parties concerned signed the Treaty of Accession whereby Spain was incorporated into the European fabric, 23 years have gone by. They are years that saw hopes of democracy and progress, as well as frustrations and disenchantment; while at the present time the economic and social situation and even the very concept of European unity as an ideology may well be in more delicate circumstances than at any time since the signing of the Treaty of Rome in 1959.

In fact, with GDP growth rates around 2%, industrial production sluggish, and an annual increase in prices of 6% in overall terms, as well as unemployment figures registering almost 13 million jobless, the EEC is struggling between the urgent need to modernize its productive structures—the only way to recover its former competitiveness—and the maintenance of the agricultural protectionist system and of traditional industrial sectors. Polemics between member states have weakened the élan of integration vs. nationalism, and no collective strategy has been established.

Nevertheless, the history of the development of Europe shows that the boldest and most ambitious decisions have been taken in moments of utmost pessimism. A most hopeful appraisal may thus be made of the initiative of institutional reform (the European Parliament has already approved the Treaty of European Union proposed by Spinelli, a champion of the European ideal for so many years) and the projects of collaboration in the technological field (the most ambitious one is the

Eureka project). In addition, the need for closer cooperation in the field of defense has been raised again (although the neutrality of Ireland is a sensitive problem in this regard).

Allowing for this context, the enlargement of the European Community to twelve members closes an important chapter in the history of Europe and implies the beginning of a new phase in which the possibility of new accessions and the resulting disarrangements may be ruled out. This allows the outlining of a more stable framework for the decision making process, with positive effects on the Community's future.

Integration of the Spanish economy

The integration of the Spanish economy will add new problems, above all those derived from a lower grade of economic development. At the same time, some existing problems will be made worse—such as those related to unemployment, inflation, certain agricultural surpluses, and foreign relations (mainly with Latin America), thus increasing the current difficulties of the Community. Finally the domestic reforms that Spain has to undertake due to the accession (in relation to the tax and duty system, agricultural and industrial organization, and institutions) may have unfavorable short-term effects for certain economic and social sectors. However, the period of transition was established in order to offset as far as possible these negative consequences.

The incorporation of Spain and Portugal is viewed by Community countries not only as the culmination of a stage during which the process of integration may have blocked any deeper progress toward integration, but also in a positive way due to the fresh impulse that these two young democracies may give to the Community ensemble.

Spain's integration into the European Community is therefore a double challenge, both to Spanish society and, more important, as regards the achievement of a higher degree of integration and cooperation between the member states—the only way for Europe to maintain its position on the international stage.

As has repeatedly been pointed out, the negotiations are not to be considered as a mere introduction to the Community's reality, as from now on the efforts made in order to defend the closest interests as well as the search for solutions to daily problems will have to be nuanced in accordance with a context shared with other nations and with more ambitious prospects.

As in any other negotiation, the agreement reached by Spain and the European Communities implies that both parties gave up initial viewpoints considered optimum by their respective upholders, replacing them with others that, without being too distant from initial ones, avoid that the final agreement might arouse any definite feeling of victory or failure. One may thus assert that the agreement reached meets the initial objectives respectively aimed at by both parties, particularly in the case of Spain—which, as is frequently forgotten, applied to join an already fully constituted association.

The agreement consists of 21 chapters which consolidate in the application process rules governed by the Treaties of Paris, which constituted the European Community of Steel and Coal (ECSC) and Rome, which instituted the European Economic Community (EEC) and the European Community of Atomic Energy (EURATOM), as well as the so-called by-laws—i.e. Community rules directly applicable in Spain from the moment of accession.

Regarding the incorporation into

the ECSC, the agreement established a period of transition of three years in order that Spain may finish the reconversion of its iron and steel sector, reckoning for this purpose on financial aid from the Community from the second year on, complementary to Spain's own plans.' Likewise its EURATOM membership will allow Spain to take part in the benefits of Community policy—subsidies, information, technical assistance, etc.—from the very moment of its integration.

Accession to the EEC

Spain's role in in the European institutions will be close to that played by the so-called big countries; it will have eight votes in the Council of Ministers (against ten each for the big four), two members in the Commission, 60 seats in the Parliament, one magistrate in the Court of Justice, the right to exercise on a rotational basis the functions corresponding to the thirteenth magistrate, 21 representatives in the Economic and Social Council, and one vice president out of six in the European Investment Bank.

One must insist on the importance of the institutional participation, as after the period of transition and even in the event of a possible institutional reform of the present Communities, Spain's status—which materializes the acknowledgment of its specific significance in the European ensemble—should not be modified.

The application of the policies derived from the basic principles of the Common Market deserve a special mention according to the individual characteristics of the corresponding sectors and social and economic aspects.

In general terms, the period of transition will last seven years, fully valid for the removal of the duties presently applied by Spain in its interchange with the Community countries, the assumption of the farming policy, and the free circulation of Spanish workers and services. The Spanish workers already established in EEC countries will benefit from the date of incorporation by the same treatment as that granted to

those belonging to other Community countries. A shorter term, three years, has been set for the free circulation of certain capitals—those related to the acquisition of stock exchange securities and direct investments; while a longer period, ten years, was set for the application of the Community farming policy to certain Spanish produce, horticultural products and vegetable fats and oils in the main. The period of transition will also be ten years in the case of fishing, although the present licensing system will be removed.

The liberalization of trade in certain cases, such as cars, textiles, dairy products, bread, convertible wheat, and beef, will be subject to quota restrictions during the period of transition.

Following the accession, Spain will apply the VAT and contribute to Community budgets, but it will also, right from that very moment, benefit by aid from the Regional Fund, the Social Fund, and the structural agricultural funds.

In the field of foreign relations, Spain will gradually undertake the prevailing Mediterranean Community policy with regard to the countries of American and the Caribbean and Pacific areas and adopt the system of Generalized Preferences. Likewise, it will protect itself, through quota restrictions, from certain imports from developed countries, mainly Japan.

Objections

Some views have been expressed

against the results of the negotiations, arguing that a certain discrimination would be exerted against Spanish products—particularly horticultural products—in the first years of the transition period, as compared with the treatment granted to products from third countries. It is necessary, in this regard, to recall that although this assertion is true, it is a situation that will come to an end, which would otherwise have been impossible.

It has also been pointed out, as concerns the trade surplus recorded by Spain in its interchange with EEC countries, that the Preferential Commercial Agreement of 1979 was more favorable for Spain than the corresponding clauses of the present agreement. In this regard, it should be recalled that it is possible to maintain the Commercial Agreement thanks to the continuity features of the accession negotiations, whereas otherwise it would almost certainly have been revised.

Special emphasis must also be laid on a recurrent characteristic of recent Spanish economic history: fear of the liberalization of economic structures preceded the Stabilization Plan of 1959, as well the signing of the said Preferential Commercial Agreement. In both cases, however, the response of Spanish society clarified in a very short period of time any previous uncertainty, and critical and skeptical opinion were replaced by a positive attitude; and the starting situation at the present time is fortunately more favorable.

PRICE WATERHOUSE: THE ACCESSION OF SPAIN TO THE COMMUNITY

(CONTINUED FROM PAGE 14)

number of judges will be increased by 2 (one Spanish and one Portuguese). Another advocate-general will be designated.

Court of auditors. There will be one new member for each of the new Member States.

Economic and Social Committee. The composition of this Committee will be increased by 21 members for Spain and 12 members for Portugal.

COMMUNITY FUNDS

As from the date of accession,

Spain and Portugal will benefit from the aids and loans granted by the Community funds (European Regional Development Fund, European Investment Bank, European Coal and Steel Community, etc.).

COMMUNITY LEGISLATION

Except as otherwise provided in the treaties of accession, all Community rules such as company law Directives already in force within the EEC will apply immediately to Spain and Portugal.

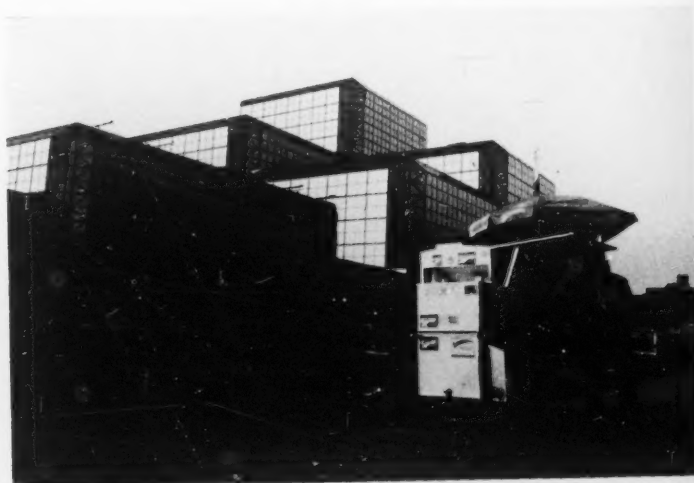
By LUISA PUJOL
Photographs by MIGUEL ZAVALA

Jacob K. Javits Center: El nuevo recinto ferial de Nueva York

En el próximo mes de abril del año entrante, se inaugurará el nuevo centro de convenciones y exposiciones de Nueva York, Jacob K. Javits. Este centro sustituirá al Coliseum, que en los últimos tiempos no podía atender eficazmente la creciente demanda de espacio para ferias y congresos.

El nuevo centro, nombrado en honor del senador americano de Nueva York, Jacob K. Javits, será el primer edificio dedicado a uso comercial de relevancia arquitectónica en el hemisferio oeste de la ciudad y construido en dos años ochenta. La creación de este centro de convenciones responde al convencimiento de que la ciudad de Nueva York reúne todas las condiciones y características para un centro de tal envergadura, y a la necesidad de cubrir la demanda que el dinamismo comercial de la ciudad establece respecto de exhibición de mercancías y productos.

Las dimensiones del Jacob K. Javits son de 167.000 metros cuadrados bajo el mismo techo, espacio que se encuentra dividido en dos pabellones, cada uno dividido a su vez en tres salas, lo cual, se ha calculado, permite celebrar seis ferias simultáneamente en el centro. Además, el centro contiene unas cien salas de conferencia. El edificio, que se extiende sobre una superficie de unas 8,8 hectáreas, está compuesto de un montaje de cubos de cristal que de día reflejan la línea del horizonte de



Nueva York y de noche son espectacularmente transparentes.

El responsable de este extraordinario proyecto es Ieoh Ming Pei, un arquitecto chino, quizás mejor conocido por el edificio Este del National Gallery en Washington. Pero este proyecto no se ha desarrollado exento de problemas de construcción, que en un momento parecían desmoronar las ilusiones de muchos empresarios. Gracias a unas grandes inversiones el proyecto se materializará el 1 de abril de 1986, siendo la American International Fur Fair la primera feria que exhiba en el palacio de cristal.

El impacto del Jacob K. Javits en la ciudad será inmediato. Para el expositor, tiene la ventaja de poder ofertar a un mayor número de clientes potenciales y aumentar sus ventas. Para el comprador significa poder acceder al conocimiento directo y simultáneo de toda una amplia gama de ofertas de su sector, en un corto espacio de tiempo con evidentes ventajas en cuanto a la selección de sus compras. Y por último habrá más espacio. Permitirá un nuevo planteamiento creativo hacia nuevos diseños feriales.

No obstante, existen algunas desventajas con este centro. Una de ellas es su ubicación. El Coliseum está emplazado en la zona midtown de la ciudad de Nueva York, en frente de Central Park y cerca de la Quinta Avenida. Con el Javits, enclavado en la zona oeste, lógicamente ha habido alguna que otra inquietud referente a su situación. Por ello, el Ayuntamiento ha reaccionado positivamente hacia esta objeción y ya está intentando solucionarlo. Probablemente, la zona del nuevo centro, Chelsea-Clinton, se revitalizará tal como ocurrió con la zona centro-oeste cuando se abrió el Lincoln Center. A primera vista, el lugar puede parecer inconveniente pero para el sector de moda será idóneo ya que el centro se encuentra cerca del corazón del "Garment Sector" donde se concentra el comercio textil, piel y confección, así como muchas sedes de fabricantes textiles.

En definitiva, el JACOB K. JAVITS servirá como punto de encuentro entre el expositor y el comprador y al mismo tiempo se destacará como un centro público de alto valor arquitectónico. □



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Spain and the EEC: Legal Implications of Accession for Spanish Trade Legislation

Summarizing the legal changes which will result from accession and which will produce "profound changes" in Spain's trade legislation, either immediately or following a transitional period.

Introduction

ACCESION to the European Economic Community (the "Community") will produce significant changes in Spain's trade legislation beginning on January 1, 1986. These changes may be attributed to (i) the elimination of tariff and non-tariff barriers to trade between Spain and other Community members (the "Member States"); (ii) the harmonization of Spanish trade legislation with the Community's trade legislation; and (iii) the adaptation of Spanish external trade policy to the Community's external trade policy. Some of these changes must be fully implemented immediately upon accession; others will be phased in gradually during so-called "transitional periods." Indeed, these transitional periods presented the greatest single obstacle in negotiating Spain's accession to the Community and constitute the bulk of the "Treaty of Accession" that Spain signed with the Member States on June 12, 1985 (see, Official Journal of the European Communities, No. L-302 of November 15, 1985).

This article examines these changes in two parts. Part A focuses on the legal changes which will affect Spain's trade with Member States.

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Part B considers the changes which will affect Spain's trade with non-Member States.

A) TRADE WITH MEMBER STATES

The Treaty of Rome, which created the Community, establishes three basic principles governing trade among Member States. First, Article 9(1) prohibits customs duties and other "similar charges on trade" among Member States. Second, Articles 30 and 36 substantially curtail the ability of Member States to impose "quantitative restrictions on imports and all measures having an equivalent effect." Third, inasmuch as commercial state monopolies can distort free trade among the Member States, Article 37(1) requires that such monopolies be "progressively adjust(ed)" in order to eliminate any discrimination which might exist "regarding the conditions under which goods are procured and marketed . . . between nationals of Member States." In addition to these basic principles, the Community is empowered to enact "directives" intended to eliminate other obstacles to trade among Member States, such as the so-called "technical barriers."

In general, these principles and directives have been progressively developed and implemented by the Community since its inception in 1957. Upon joining the Community on January 1, 1986 therefore, Spain will figuratively speaking "hitch itself to a passing train." In order to ease the resulting jolt, the Treaty of Accession establishes various transitional measures under which Spain will gradually adapt its trade and related legislation to these principles

and directives. In addition, the Treaty of Accession contains special measures to deal with certain Spanish "free trade areas" (i.e., the Canary Islands, Ceuta and Melilla). We briefly describe these transitional and special measures below.

1) Customs Duties and Similar Charges

The Treaty of Accession establishes a general transitional period of seven (7) years within which Spain and the Member States will abolish the customs duties and similar charges on trade of industrial and consumer products. In general, Spain and the Member States must reduce the duties on such products in effect on January 1, 1985 (i.e., the "base rates"), as follows:

(i) March 1, 1986.....	10%
(ii) January 1, 1987.....	12.5%
(iii) January 1, 1988.....	15%
(iv) January 1, 1989.....	15%
(v) January 1, 1990.....	12.5%
(vi) January 1, 1991.....	12.5%
(vii) January 1, 1992.....	12.5%
(viii) January 1, 1993.....	10%

Similar transitional periods of seven and ten years have been established for abolishing customs duties on agricultural and fish products not regulated by the "Common Organizations of Agricultural and Fishery Markets." In the case of regulated agricultural and fish products, the customs duties will be abolished as of March 1, 1986. Nonetheless, imports of such products will be subject to the so-called "Compensatory Amount System," which is intended to equalize the guaranteed prices of regulated agricultural and fish products prevailing in the Com-

munity and Spain.

In contrast to the gradual elimination of most customs duties, Spain and the Member States must abolish "all charges having an equivalent effect" on trade between them by March 1, 1986. Such charges include the Spanish "internal compensation tax." The only "charge having an equivalent effect" that Spain will be entitled to levy on imports from Member States is the value added tax (VAT), which Spain must adopt as of January 1, 1986.

2) Quantitative Restrictions and Similar Measures

The Treaty of Accession establishes that Spain and the Member States must abolish all quantitative restrictions (i.e., import quotas) and similar protectionist measures affecting trade between them as of January 1, 1986. For these purposes, the concept of "measures having an equivalent effect" has been construed broadly to include virtually any national restriction or limitation that may discriminate against imported products. For example, these measures include import licensing and certification requirements. It even has been extended to cover general economic legislation, such as price freezes.

By way of exception, Spain has been authorized to maintain temporary import quotas with respect to a limited set of products. In particular, Spain may apply certain quotas on the products classified under the following nomenclature numbers until December 31, 1989:

- (i) 25.03: sulphur;
- (ii) 29.03, 36.01, 36.04, 36.05, and 36.06: gun powder and explosives;
- (iii) 39.02: certain plastic wastes;
- (iv) 39.07: certain plastic goods;
- (v) 58.01 and 58.02: carpets and tapestries;
- (vi) 58.04, 58.099 and 60.01: velvet and embroideries;
- (vii) 60.04, 60.05, 61.01, 61.02, 61.03 and 61.04: cotton knitwear, clothing, underwear;
- (viii) 84.41: sewing machines with value of between 65 and 200 ECU's (i.e. European Currency Units);
- (ix) 85.15: color television sets of less than 42 cms.;

- (x) 87.01: walking tractors of less than 4000 cms³; and
- (xi) 93.02, 93.04, 93.05, 93.06 and 93.07: weapons and ammunition.

In addition, Spain may maintain certain quotas until December 31, 1990, with respect to specific products classified under nomenclature numbers 85.15 (i.e. color television sets of 42 cms or more) and 87.01 (i.e. tractors other than walking tractors of less than 4000 cms³).

In addition to these temporary import quotas, Spain also may apply the following "measures having an equivalent effect" on certain imports from Member States:

- (i) a special "surveillance" program, including quantitative limitations, for certain textile products until December 31, 1989;
- (ii) a special "surveillance" program, including quantitative limitations, for certain agricultural and fish products with varying expiration dates.
- (iii) the current national content requirements applicable to automobiles (i.e., 60%) until December 31, 1989; and
- (iv) special quantitative limitations on imports of waste and scrap metal.

The last limitation is bilateral; that is, it also applies to exports of Spanish waste and scrap metal to Member States. In addition, Member States may maintain certain quotas on exports of ash and of copper and copper alloy residues, waste and scrap to Spain until December 31, 1988.

3) Commercial State Monopolies

Spain has been granted a transitional period of six years to adjust its oil and tobacco monopolies in order to eliminate discrimination against imports from Member States. This adjustment process remains to be negotiated in many respects. In general, however, Spain has agreed to (i) abolish its state monopoly over oil and tobacco exports to Member States as of accession on January 1, 1986; and (ii) allow increasing quantities of oil and tobacco imports from Member States at reduced customs duties until December 31,

1991, when the importation of such products will become liberalized.

4) Technical Barriers

As generally understood within the Community, a "technical barrier" includes any obstacle to free trade created by differences in national legislation governing product quality, safety, packaging, labeling or technical specifications. In order to eliminate these obstacles, the Community has progressively adopted a series of directives aimed at establishing uniform principles or standards applicable in all Member States. Though this area is fraught with difficulties, the harmonization process recently was streamlined and in any event has progressed substantially, at least with respect to certain products, as indicated below. Upon joining the Community, Spain will be required immediately to adhere to the principles and standards established under this process, with minor exceptions.

(a) Industrial and Manufactured Products. The Community has established certain standards for various industrial and manufactured products. These products include motor vehicles, motorcycles, agricultural and forest tractors, measuring instruments, electrical equipment, cables and chains, textiles, fertilizers, public works machinery, and gasoline.

(b) Food Products. The Community has established various product standards regulating such matters as additives, coloring, preservatives, antioxidants, emulsifiers, stabilizers, thickening and gelling agents, food containers and labelling.

(c) Pharmaceutical and Veterinary Products. The Community has established several general principles intended to coordinate national controls on pharmaceutical and veterinary products. It also has adopted a non-binding recommendation regulating pharmaceutical testing and various proposals concerning biotechnology and other advanced technologies.

(d) Hazardous Substances. The Community has established certain classification, packaging and labeling requirements for hazardous substances, as well as specific stan-

standards for particular dangerous products (e.g., solvents, detergents and pesticides).

5) Canary Islands, Ceuta and Melilla

The Spanish regions of the Canary Islands, Ceuta and Melilla have not been included in the customs union that Spain will join on January 1, 1986, but instead will continue to enjoy their current status as "free trade areas." As a result, these regions will not adopt the common external trade policy of the Community. Nonetheless, they will be integrated into the Community's internal trade system under a complex set of rules. The principal rules are summarized below.

(a) Products originating from the Canary Islands, Ceuta or Melilla: The customs duties applied in Peninsular Spain and the Balearic Islands on imports of products originating from the Canary Islands, Ceuta or Melilla generally will be abolished as of March 1, 1986. The duties applied in other Member States on imports of such products generally will be abolished gradually over the general transitional period described in (A)(1) above.

(b) Products originating in Peninsular Spain, the Balearic Islands and other Member States. The "special tariff" applied in the Canary Islands, Ceuta and Melilla on imports of products originating from Peninsular Spain, the Balearic Islands, or other Member States generally will be abolished as of March 1, 1986. The "general tariff" applied in these regions on such imports generally will be abolished gradually over the general transitional period described in (A)(1) above.

In view of the critical role that product origin plays under these rules, Spain and the Community have agreed that before March 1, 1986, specific "rules of origin" will be developed for application to trade with the Canary Islands, Ceuta and Melilla.

B) TRADE WITH NON-MEMBER STATES

In addition to seeking to eliminate the obstacles to free trade among Member States, the Treaty of Rome requires that Member States apply a

common policy in their trade with non-Member States; that is, it aims to create not only a "free trade zone" or "customs union," but a genuine "common market." To accomplish this objective, Article 113 of the Treaty of Rome vests the Community with exclusive authority to establish a "common commercial policy... based on uniform principles." In general, this authority may be exercised with respect to a broad range of trade related matters, such as:

"changes in tariff rates, the conclusion of tariff and trade agreements, the achievements of uniformity in measures of liberalization, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies."

Though the Member States have yet to achieve complete uniformity in their external trade policies, the Community has made substantial progress in this area. In particular, the Community has established a "Common Customs Tariff," uniform customs rules and procedures, common import and export regulations, and an extensive network of commercial agreements with non-Member States. As indicated below, Spain must implement some of these measures immediately upon accession on January 1, 1986; others will be phased in gradually over certain transitional periods. In any event, the adoption of these measures will significantly liberalize Spanish trade with non-Member States.

1) Common Customs Tariff

Spain has been granted a general transitional period of seven years within which to approximate its customs duties on imports from non-Member States to the Common Customs Tariff applied by the Community. This approximation process will coincide with the progressive abolition of customs duties on industrial and consumer products imported from Member States. Specifically, Spain must annually reduce the difference between its current customs duties on imports from non-Member States and the applicable Common Customs Tariff by the percentage and on the dates specified in (A)(1) above. By way of exception, Spain must immediately apply the Common Customs Tariff on all imports

from non-Member States where the difference between this tariff and the current Spanish customs duty is equal to or less than 15 percent.

2) Customs Rules and Procedures

In general, Spain must apply the current customs rules and procedures of the Community as of March 1, 1985. These rules and procedures include, for example, rules of origin, custom territory definitions, and customs valuation procedures. By way of exception, Spain has been granted a transitional period of two years during which it may continue to apply its temporary import system on limited basis. Nonetheless, any temporary import authorization granted during this period generally must be cancelled by December 31, 1989.

3) Quotas

In general, Spain must abolish all quotas on imports from non-Member States immediately upon accession on January 1, 1986. By way of exception, Spain has been authorized to maintain temporary import quotas with respect to certain product groups, including:

- (i) 37 product groups originating from any non-Member State;
- (ii) 37 product groups originating from Japan; and
- (iii) 46 product groups originating from COMECON.

These quotas must be progressively increased on an annual basis and eliminated by December 31, 1991. These quotas do not include textile products covered by multilateral trade agreements.

4) Used Products

Spain has been authorized to retain indefinitely its current requirement that a special authorization be obtained in order to import certain types of used products.

5) Antidumping and Antisubsidy Procedures

Spain must apply to the antidumping and antisubsidy procedures of the Community immediately upon accession on January 1, 1986. Under these procedures, the Community generally may impose countervailing duties on imports from non-Member States if (i) their sales price

within the Community is found to be artificially low; and (ii) such sales are found to injure competitors within the Community.

6) Generalized Preference System

In general, Spain must apply the "Generalized Preference System" as of March 1, 1986. Under this system, the Community applies special tariff exemptions or reductions to industrial, processed agricultural and textile products imported from over 100 developing countries (including Romania and the Peoples Republic of China), subject to certain quantitative limitations. By way of exception, Spain has been granted certain transitional periods within which to apply the Generalized Preference System to various agricultural, fish, industrial and consumer products.

7) Multilateral Trade Agreements

As of accession on January 1, 1986, Spain must adhere to all multilateral trade agreements executed by the Community to which Spain currently is not a party (e.g., certain GATT agreements on dairy products and civilian airplanes). In addition, Spain must adapt its participation in those multilateral trade agreements to which both it and the Community are parties in order to conform to the Community's position.

8) Bilateral Trade Agreements

As of accession on January 1, 1986, Spain must adhere to all bilateral trade agreements executed by the Community to which Spain currently is not a party. These agreements include the preferential trade agreement executed with certain Mediterranean countries (i.e., Malta, Cyprus, Turkey and Israel) and the Third Lome Convention executed with various developing countries of Africa and the Caribbean and Pacific basins. In addition, Spain must adapt its participation in those bilateral trade agreements to which both it and the Community are parties in order to conform to the Community's position. Such agreements include, for example, the preferential trade agreement executed with the EFTA countries (i.e., Austria, Finland, Ireland, Norway, Sweden and Switzerland).

Conclusion

As indicated above, accession to the Community will produce profound changes in Spain's trade legislation beginning on January 1, 1986. In addition to the specific changes summarized above, Spanish trade practices also will be affected by various other measures which Spain must adopt upon joining the Community, such as the antitrust, consumer protection, environmental and patent legislation of the Com-

munity and the further liberalization of Spanish foreign exchange controls. Moreover, inasmuch as the Community has been vested with substantial legislative and policy-making authority, Spain will be required to adhere to such other legal measures as may be adopted by the Community in future years. In short, these factors promise to alter the Spanish business environment substantially and permanently. □

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EEC Agreement Reached; New Challenges Loom Ahead

THE WAITING is finally over. At the end of March, Spanish and Community negotiators knocked down the last barriers to Spain's membership in the EEC. If the formal accession treaty can be drafted by June—which, Spanish and EEC negotiators assert, is likely—and then rammed quickly through member country parliaments for ratification, Spanish membership in the enlarged European Community should be a reality by January 1986. Spain's willingness to make concessions on agriculture in return for a less onerous agreement on fishing finally unblocked the negotiations. Agreement was also reached on Spain's contribution to the European Development Fund (Ecu 500m), which will be tied to the formulation of some sort of more comprehensive aid scheme covering Spanish economic cooperation with Latin America.

Despite being bombarded with information on the progress of the negotiations, the average Spanish citizen is still not sure just how EEC membership will affect him or her. Joining the Community is universally perceived as "a good thing," which while being beneficial for agriculture will represent a challenge for industry. But beyond this general view, as well as a vague feeling that membership will enhance Spain's democratic image, most people have little specific idea of how entry will affect them.

Fast tariff cuts. On the face of it, it does indeed seem as though industry will get the worst of it when Spain enters the Common Market next year. Although the seven-year transition period is long, the accession agreement provides for a considerable amount of front-loading—some 52.5% of the reduction in Spanish tariffs must be accomplished in the first three years after entry.

The weak structural position which Spain's high tariff walls were

designed to shield will weigh heavily on industry initially. While Spanish hourly wages are considerably lower than the Community average, so is productivity. Together with the fact that employers' social security contributions add another 30% to wage costs, Spain comes out above the European average in terms of unit labor costs, which is a more relevant measure for examining business profitability than hourly wages alone. In addition, Spanish firms tend to be smaller than their European counterparts, a legacy of the years of autarchy when they produced basically just for the domestic market. Undercapitalization and a heavy debt burden can also be added to the list.

Still, depending up what the government does with tax and exchange rate policies, Spanish firms may be shielded from the full blast of EEC competition a bit longer. Spain will not join the European Monetary System (EMS) for the moment. This will leave the government free to partially offset the impact of the tariff cuts, if necessary, by keeping the exchange rate of the peseta weak vis-à-vis Europe. This would have the added effect of making Spanish exports more price-competitive in European markets. There has also been talk of using a portion of value-added tax (VAT) revenues to reduce employers' social security contributions as a way of lowering total labor costs. Such alternatives would soften the initial impact of EEC entry on Spanish industry, but in the long run they are only delaying tactics: Spanish industry will have to adapt to the more competitive environment. This will mean rationalizing product lines as well as revamping productive structures in many parts of industry. It will also undoubtedly mean an increase in unemployment. Most business people accept this as inevitable.

A farming bonanza. In contrast to

the concerns of the industrial sector, Spanish farmers should be rubbing their hands in anticipation of the higher prices which EEC entry will mean for most farm products, with the noticeable exception of sugar and so-called "continental" products such as dairy produce, meat, and cereals, in which Community producers enjoy a price advantage. The transition period finally fixed for agriculture is a long one—10 years. But the gradual approximation of Spanish and Community agricultural prices, much of the cost of which will be borne by the already strained Community coffers, will leave the Spanish farm sector progressively better off.

Taking olive oil as an example, official price support for Spanish output will rise over the 10-year transition period from its present level of Pta. 12 per kilo for the guarantee price, to the Community level of Pta. 88 per kilo—that is, a guaranteed increase of Pta. 7.6 per kilo each year, using 1985 prices. In addition, the intervention price will also rise, by roughly Pta. 5.75 per kilo each year as well.

VAT to add to inflation. EEC entry will also touch the average Spaniard directly through its impact on inflation. Government experts expect the imposition of VAT to raise the rate of inflation by 2-3 points in 1986. VAT will replace some 24 other taxes, the most important of these being the cascade tax on industry and commercial transactions and the luxury tax. The inflationary impact of the introduction of VAT comes from the fact that in most cases it means an increase in tax rates, as well as implying a wider base. In addition, in some countries, depending upon what the market will bear, some retailers have also used its introduction as an excuse to fatten profit margins. Hence its precise impact on inflation is difficult to measure.

Over the long run, Spaniards will also feel the pinch of higher food prices as Spanish agriculture becomes fully integrated into the Common Agricultural Policy price support net. Still, the prices of manufactured goods could trend lower. But this will depend upon the exchange rate and whether suppliers of EEC imports pass forward

the benefits of lower tariffs to consumers.

Other issues which were settled in the final round of negotiations in March were the free circulation of labor and Spain's contribution to the EEC budget. Spaniards and their families now working in EEC countries will enjoy the same treatment as nationals of those countries, but new workers wishing to emigrate to EEC countries will face a seven-year transition period. As for Spain's contribution to the Community budget, the country will receive a partial rebate during the first seven years after accession equivalent to 87% of the VAT contribution in the first

year, which will decline to 5% by the seventh year. Ironically, despite being one of the less well-off Community members, Spain is forecast to be a net contributor to the Community budget during the first seven years after entry, hence the rebate.

The terms of accession hammered out in the endless hours of negotiations since Spain applied for membership in 1977 are really only a beginning. Accession will bring intense change to Spanish society as well as the economy. It will also mean that the European Commission can at last get on with the long-neglected task of reforming the Community itself. □

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Two Private TV Networks Likely to be Approved

THE FIRST two privately-run television networks in Spain are likely to be approved before the end of the year, government officials said last month in Madrid, thus confirming that the socialist cabinet intends to follow through on promises made by Prime Minister Felipe González. Private TV is an old yearning of Spanish public opinion, which has become disenchanted with the low quality and frequent political bias of the two state-run channels. The two new channels will also mean new business opportunities—and risks—for Spanish and foreign broadcasters, advertisers, and program producers.

Little is known of the legal framework the government intends to propose in the bill on television which it will send to the Cortes (parliament). There was early talk of adopting the "British model"—i.e., independent commercial television controlled by a government-appointed Independent Broadcasting Authority with large powers to oversee and authorize programs and advertising content, and regional license-holders to exploit the system. This model was decried by private enterprise

Wary of government controls. The subject of political control remains the touchiest one, given the precedents of constant government meddling with public television in Spain. The very idea of limiting the number of networks to two—with an initial refusal on the government's part to even consider the possibility of awarding any licenses for local TV stations in addition to those two national networks—has elicited criticism on the part of newspaper publishers and radio broadcasters interested in moving into the television field. They say that such a refusal is proof that the government is really concerned with political control—something that is easier to attain with networks that are tied to state-owned transmitting facilities than with smaller local stations in the nation's largest cities.

While the subject of freedom of expression on the airwaves is the cause for much of the initial concern, potential broadcasters are paying just as much attention to the business aspects, from the creation of new companies to compete for the future licenses to the evaluation of the real chances private television

has of succeeding in a country where the state-run channels are thoroughly commercial and gobble up in excess of Pta. 60 billion in advertising revenues a year.

The government has clearly told existing companies in the communications field that they would be favored to receive a TV license — if they were to unite to form large joint ventures with enough "pluralism" to make the choice "acceptable to all." The first such attempt at the joint venture scheme, however, has been controversial and may have ended all chances of official approval for a single private network backed by a sizable chunk of Spain's publishing and broadcasting industry. (Commercially, a single network is a more attractive proposition than two networks competing for a diminishing slice of the meager advertising pie with the two state channels).

The PRISA project.

Earlier this year, Promotora de Informaciones (PRISA), the company which publishes the successful *El País* newspaper, set about to attract partners to a joint private-TV venture. The company, under the chairmanship of Jesús de Polanco, simultaneously created a television subsidiary, Sogotel, and bought 25% of the stock of Sociedad Española de Radiodifusión (SER), the nation's oldest, largest, and most successful private radio network.

Other newspaper companies balked at the overtures. They objected to the idea that PRISA and SER would be the largest shareholders in the new venture—a position justified by their respective rankings as the country's largest newspaper and radio companies. "If all they want is a bunch of partners who will bring in capital and have no say in the operation, they might as well call on the banks," said one of the prospective, and disgruntled, partners.

When PRISA's "disembarkment" in SER was blasted by other media as "a blatant case of concentration in the information field," *El País* replied last February by publishing confidential (and later disputed) data on the large debt incurred by its competitors with the tax and social security authorities. Something close to a breaking point was reached. The

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government had ample excuses to freeze plans for private TV. However, over the past two months contacts have been renewed.

The idea of two networks may have been one of the results of the ruckus. If there ever was any notion of giving a single license to the PRISA-led conglomerate—a notion favored in government circles, as *El País* is a left-of-center daily — it was quickly shelved in view of the violent dispute.

Many financial if's.

As things stand, PRISA still has the most advanced project and is honing its list of partners. Antonio Asensio, a successful Barcelona-based publisher, has been reputed to have the inside track to a second license. His Grupo Z publishes the mass-circulation weekly *Interviú*, the newsmagazine *Tiempo*, and the popular daily *El Periódico*.

Whoever is finally awarded the first two licenses will have to compete with the established 30-year-old Televisión Española (TVE), the state company. There are no plans to replace the current financial scheme of TVE, based on advertising revenue, with a viewers' tax or fee comparable to Britain's. Economic hardship for all thus looms as likely. It is believed by operators that the advertising pie can grow to some extent—but basically the existing market will have to be shared by a larger number of competitors.

"We believe that the start-up outlay for a TV company will have to be between Pta. 10 billion and 15 billion (about \$62-\$93 million), just for basic investment and to resist a period of losses that will probably last two or three years," says Javier Baviano, the managing director of PRISA. Mr. Asensio, on his part, has stated that a private network can operate and survive with less than one tenth the work force of TVE, which numbers more than 12,000 employees.

Much will thus depend on how successful the new networks are in "stealing" advertising revenue from TVE. Some believe that a large loss in revenue might indeed force the state network itself to ask for a viewers' tax and accept, at least, a reduction by law of the amount of

ad space and revenue it is allowed to have.

Carriers and programs

Many technical aspects remain to be settled. The dynamic Compañía Telefónica Nacional de España (CTNE) is eager, not only to be the carrier for the new networks, but even—as CTNE officials privately concede—to be a partner in one or both of them. Since the company is a mixed-capital, state-controlled concern, most of the private operators object to that part of the CTNE plans. But the company will, one way or the other, play a decisive role in the development of private television.

One aspect to be, possibly, regulated by law is the minimum required content of Spanish-made programming the new networks will

have to carry. This will no doubt affect the future relations of both companies with foreign networks and program purveyors. To date, there has been remarkably little contact between the fledgling Spanish promoters and foreign colleagues. Spokesmen for Italy's Canale 5 deny any contacts with Spanish companies, and PRISA admits that "only some very exploratory" contacts have been made between its Sogetel subsidiary and an American network, CBS.

Just when government officials are hinting that the TV bill will be in parliament before the summer break and the law approved before year's end, the private operators still appear to be groping for some very basic business decisions. At least, they are keeping their plans a very deep secret. □

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Spanish Exchange Controls: A Brief Summary

Some basic information about Spain's exchange controls, continuing a series of articles which began with the discussion of the Spanish tax structure in our last issue.

LEGISLATION AND ADMINISTRATION

Exchange control and inward and outward investments are governed by the Exchange Control Law 40/1979 (partially amended by Organic Law 10/1983), Royal Decree-Law 2/1985, Royal Decrees 2236/1979, 2402/1980, 622/1981 and 1042/1985, and Decrees 3021/1974 and 3022/1974. They are administered either by the Ministry of Economy and Finance or by the Directorate-General of Foreign Transactions, depending upon the amount involved.

SCOPE OF EXCHANGE CONTROLS

Exchange controls apply to all acts, business transactions and operations between residents and non-residents involving or giving rise to payments abroad or receipts from abroad.

For exchange control purposes, individuals are deemed to be resident in Spain if they are domiciled, or reside mainly, in Spain. Legal entities with registered offices in Spain and the establishments and branches in Spain of foreign legal entities or individuals resident abroad are likewise resident in Spain for exchange control purposes.

Nonresidents for exchange control purposes are individuals domiciled abroad or whose principal residence is abroad, and legal entities with registered offices abroad.

Spanish nationals are deemed to be resident in the absence of proof to the contrary, and foreign nationals are deemed to be nonresident unless they hold official residence permits.

GENERAL ASPECTS

Penalties include fines ranging from Ptas. 10,000 to ten times the amount involved, imprisonment, and/or the confiscation of the money

or item with respect to which the offense was committed.

Payments abroad with respect to invisible transactions are normally unrestricted. The control system is flexible and occasionally involves no more than an administrative check after the event. Unrestricted transactions which must be reported to the authorities include the purchase of copyright, film revenues, and the expense of repairing and installing machinery. Certain transactions, e.g. technical assistance and licensing agreements, require prior authorization but related payments are unrestricted and need only be reported to the authorities if they exceed a certain amount.

The main types of bank accounts for individuals and legal entities are:

- "Ordinary peseta" accounts (residents only). The funds can not be used abroad and are not freely transferable.
- "Internal peseta" accounts (non-residents only). Credits arise mainly from sales of convertible foreign currencies and from payments by residents which are transferable abroad pursuant to current regulations or to a specific authorization. The funds can be used to buy convertible foreign currency and to make payments to residents.

INWARD INVESTMENT

Foreign investments in Spain are defined as those made by:

- Foreign individuals (except for investments made with ordinary pesetas by foreign nationals resident in Spain).
- Foreign legal entities.
- Spanish nationals resident abroad.
- Spanish legal entities more than 25% owned by foreign nationals.

The owner of a foreign investment which has been made in accordance

with the law may remit abroad the income therefrom and the proceeds of sale without restriction.

Pursuant to Royal Decree 1042/1985, foreign investments of all kinds made with an external monetary contribution are generally unrestricted.

However, investments which prior to the effective date of this Royal Decree required prior administrative authorization or verification (direct majority investments in the capital of the Spanish company, portfolio investments involving the purchase of listed shares and signifying majority ownership of the capital of the Spanish company, business activities of nonresidents involving the formation of branches, establishments, etc., and certain property acquisition) still require verification by DGTE. This verification by DGTE normally involves only the recording of data for statistical purposes and checking that the investment concerned does not relate to operations excluded from scope of application of the Royal Decree. If DGTE does not reply within 30 days, the projected investment will be deemed to have been verified and to be proper for all effects and purposes.

However, the Administration may exceptionally withhold the general authorization referred to above for projected investments requiring verification whose nature, amount, reason, or financial characteristics may give rise to prejudicial consequences for Spanish national goals.

The following types of investments are excluded from the scope of application of the Royal Decree mentioned above:

- Foreign investments not made with an external monetary contribution. For these investments the earlier legislation continues to be applicable, i.e. prior administrative authorization is required if any of the cases mentioned earlier is involved.
- Foreign investments in activities relating to national defense; such investments are prohibited without exceptional authorization from the Spanish Government.
- Foreign investments in Spanish utility companies. Prior adminis-

trative authorization is required for such investments if the foreign holding exceeds 25% of the capital stock.

- Foreign investments made in industries regulated by special legislation. In such cases, regard will have to be had to the limits and requirements established by such special legislation. Industries for which special legislation is in force include the production of films, mining, hydrocarbon investigation and operations, banks, insurance companies, oil companies, air transport, shipping companies, concessions for the use of publicly owned waters, companies which are contractors to the state, and radio and television broadcasting.

Foreign-owned Spanish companies, whatever the percentage of foreign ownership, can borrow peseta funds on the Spanish domestic money market under the same conditions as all other Spanish entities. Branches in Spain can not borrow locally or receive funds from their head offices without prior authorization.

Loans from nonresidents must be specifically authorized. Financing loans in foreign currency for not less than one year are deemed to have been authorized if no reply is received to the application within 15 days.

OUTWARD DIRECT INVESTMENT

Direct investment abroad is defined as the acquisition of a holding in a foreign company, the carrying on of a business through a branch, agency or other establishment, and the making of financing loans to foreign subsidiaries for five years or more. Direct investments do not require prior authorization unless the corporate purpose of the investee company is the acquisition and holding of securities or the acquisition, holding and exploitation of real property.

An investment in a foreign company or legal entity will be deemed to be a direct investment if the Spanish investor exercises effective influence on the management of the foreign investee, which will be deemed to be the case where:

- Spanish ownership is 20% or more.
- the Spanish investor takes an active part in the management of the foreign entity or exercises effective control of it; or
- the foreign company makes extensive use of the Spanish investor's technology.

Such a transaction must be reported to the exchange control authorities; if no reply is received within 30 working days, the investment is deemed to be authorized for implementation during the following six months.

All receipts and payments relating to an investment by a Spanish national or entity abroad must be channeled through an authorized bank, and the relevant documents (e.g., the share certificate) must be deposited with the bank. The Spanish investor must also submit an annual report on the progress of the investment to the exchange control authorities.

Income from overseas investments must be repatriated and converted into pesetas within 15 days. It may, however, be reinvested, provided that the initial percentage of ownership in the foreign entity is maintained.

OUTWARD PORTFOLIO INVESTMENT

The acquisition by banks, savings banks and insurance companies of securities listed on a foreign stock exchange is, subject to certain limits, unrestricted. Also unrestricted is the acquisition by parties resident in Spain of foreign-currency fixed-interest securities listed on a foreign stock exchange and issued by Spanish legal entities or multilateral international agencies of which Spain is a member. Other investments must be specifically authorized by the Director-General of Foreign Transactions if the investment does not exceed 100,000,000 pesetas and by the Ministry of Economy and Finance otherwise.

IMPORTS AND EXPORTS

Import licenses, valid for six months (unless otherwise specified), which set out the main features of the transaction, are generally required and entitle the importer to

purchase foreign currency to pay for the goods on the terms and conditions set out in the license. The usual period for payment is three months, but it may be extended to three years for imports of capital equipment. Certain goods can be imported without restriction.

Exports generally require an export license setting out the main features of the transaction, including the due date for payment. Payment must be collected in foreign currency within one month of the due date.

The consideration payable by the foreign purchaser must be in foreign currency traded on the Spanish foreign exchange market, and payment must normally be made within six months. Any commission payable should not normally exceed 5% of the value of the exported goods.

Export licenses may be issued enabling the exporter to make unlimited shipments of the goods covered by the license, e.g. seasonal products such as fruit. Open export licenses permit an exporter to make an unspecified number of shipments up to the maximum licensed quantity. Special export licenses may also be issued for particular transactions.

MONETARY ALLOWANCES

Spanish residents traveling abroad may use credit cards, and may take with them foreign currency up to the following limits (any excess requires prior authorization):

- Ptas. 120,000 per person per trip (with a maximum of Ptas. 480,000 in any one year) if the journey is not for business.
- Ptas. 300,000 per person per trip (with an annual maximum of Ptas. 2,100,000) if the journey is for business. If the trip is on behalf of the company, there is an additional limit of Ptas. 10,500,000 per company per calendar year.

All travelers from Spain can take up to Ptas. 100,000 with them. Travelers entering Spain can bring in foreign currency and pesetas without limit but residents must convert that currency into pesetas within 15 days of arrival.

RESIDENT ALIENS

Foreign nationals resident in Spain are generally treated in the same

The Introduction of the Value Added Tax (VAT) in Spain

On July 23rd, 1985, the Spanish Parliament passed the Law introducing Value Added Tax (VAT) into Spain, as of January 1, 1986.

In so doing, Spain fulfills the obligations assumed both in its negotiations for acceptance into the European Community and for adherence to GATT norms.

The structure and scope of VAT, as established in the new Law, are similar to those of the other countries of the European Community, so as to comply with the EEC's Sixth Directive.

VAT will be replacing a number of taxes (turnover tax, luxury tax, tax on non-alcoholic drinks, equalization taxes, etc.), and is a tax on general consumption which will coexist with certain taxes on the consumption of specific goods (petroleum, tobacco, alcoholic beverages), as is the case in the other EEC countries.

The transactions subject to the tax are the transfer of goods (and similar transactions), the rendering of services (and similar transactions), and imports.

Exportation is exempt from this tax, although the exporter has the right to deduct the tax borne on his inputs (tantamount to applying a zero rate on exportation).

Exempt transactions. The few remaining exempt transactions, generally applying to services (health and education, insurance, financial, second-hand disposal of buildings, etc.) are strictly in accordance with the EEC regulations, and the VAT borne on the inputs cannot be deducted.

The tax is to be applied in the Spanish peninsula and Balearic Islands. The governments of the Basque Country and Navarre will probably be given autonomy for the administration of the tax in their areas. On the other hand, the indirect taxation

system to be applied in the Canary Islands, Ceuta and Melilla has yet to be defined.

The tax base varies according to whether the transactions are internal or imports.

For internal transactions the tax base is composed of two elements: the total payment (price paid for the goods or services and transportation, insurance, interest received, etc.) and the amounts of any taxes, with the exception of VAT, applying to the transaction.

For imports, the tax base consists of three elements: customs value, customs and excise taxes on the transaction, and all expenses until the arrival of the goods at their final destination.

Tax rates. The VAT Law establishes three tax rates for the different types of goods or services:

- a) An "ordinary" rate of 12%, applied to regular goods and services;
- b) a "reduced" rate of 6%, applied to basic necessities (among others, food, agricultural products, books, medicine, etc.); and
- c) an "increased" rate of 33% applied to luxury goods and services (vehicles, with certain exceptions, recreational boats and airplanes, jewelry, luxury furs, etc.). It is expected that, in the future, the Budget Law may modify these tax rates.

As in the EEC, the taxpayer may deduct from the VAT, to be paid on his "outputs," the VAT borne on his "inputs." The balance will either be payable to the Treasury, or if it is in favor of the taxpayer, he may either compensate the amount in later tax returns or request a refund from the Tax Administration.

Requirements. The right to deduct is limited by a series of requirements:

- a) **Subjective** — Only those that, carrying out a business or professional activity, have presented the appropriate "declaration" of activity

shall be allowed to take this deduction.

- b) **Formal** — For the taxpayer to take the deduction he must justify that he has borne the tax, on the corresponding purchase invoices.

- c) **Procedural** — The deduction is taken by compensating the amounts of VAT borne on purchases with the amounts accrued on sales within the same tax period.

- d) **Objective** — The right to deduct the VAT borne on the acquisition of goods and services is limited to those goods and services that are necessary and utilized to carry out the business or professional activity. Specifically, Article 33 of the Law lists a series of acquisitions of goods and services which do not give rise to the right to deduct (automobiles, recreational airplanes or boats; travel; hotels, restaurants or entertainment; goods or services subject to the "increased" rate; entertainment of clients, employees or third parties.

Furthermore, the goods and services acquired must be utilized for a business or professional activity subject to the tax and not exempt (with the exception of the exports, which, in any case, even though exempt give rise to a deduction).

Special rules. Certain special rules exist governing deductions for companies which carry out different activities or for companies which carry out certain activities that are subject to the tax and others that are exempt. In the second case, the company can only deduct the VAT borne on its acquisitions in proportion to the percentage of its activities subject to the tax (the so-called "pro-rata rule"). Thus, for example, if 60% of its transactions are subject to the tax and 40% are exempt, only 60% of the VAT borne on purchases can be deducted. This rule requires that, at the beginning of the calendar year a provisional rate be applied (which will be the same as the final rate for the previous year) and at the end of the year the rate be corrected, in accordance with the distribution of activities of the company during said year.

As in other EEC countries, along with the ordinary or normal VAT rules, certain special rules exist, benefiting certain sectors of economic activity (agriculture, livestock

(CONTINUED ON PAGE 36)

By JUDITH GLYNN

Shopping in Madrid

Spain's capital has over 50,000 shops opening every morning. Peek, poke, splurge, or indulge yourself in luxury. Whatever you desire, shopping in Madrid is fabulous!

TAKE YOUR PICK FROM TWO distinct shopping areas in Madrid. First there's the maze of tiny streets in the Puerta del Sol district where ancient shops with carved interiors and hand-painted beveled mirrors are crammed in between major department stores.

It's also the area of gypsy beggars, sidewalk con men selling gimmicks and shoulder-to-shoulder crowds. Even if you don't buy, the district is great for peeking, poking and gawking.

Or cross over the majestic Paseo de la Castellana, the spine of Madrid, at Cibeles Fountain or Plaza de Colón into the Barrio Salamanca district; it's also known as the Serrano shopping area.

There the most elegant shops await you, the streets are wider in the roughly 16-square-block shopping area, and it's the place to see the well dressed Madrileñas, many with children in tow.

Whatever area you choose, Spain's cosmopolitan capital opens each shopping day with over 50,000 shops, and most of them are easy on the pocketbook.

If you shop in the Puerta del Sol area, major thoroughfares are the Gran Vía, Alcalá, Calles Mayor and Arenel, and the Plaza Mayor (the main square).

Popular stores for shoes are Yanko at Gran Vía 40 (it also sells beautiful leather jackets around \$250); Loewe at Gran Vía 8 is the very best and most expensive for all leather goods; Lurena at Gran Vía 1 has excellent shoes starting around \$35. For jewelry, the prestigious Grassy boutique is at Gran Vía 1. And the official distributor for Majorica pearls (watch out for imitations that vary on the spelling of the name) is at Gran Vía 39.

Around Calles Mayor and Arenel: Guitars and musical paraphernalia are at the long-standing Real Musical on Carlos III, and the shop of Manuel González Contreras at Mayor 80 has ready-mades and made-to-order. El Escudo de Sevilla at Mayor 4 has beautiful hand-embroidered linens and lingerie. And if you'd love to have Sevillian china and ceramics, stop in at La Cartuja de Sevilla, Esperteros 3.

Mantillas, shawls and hand-painted fans are beautifully displayed at the antique shop of Casa Jiménez, Preciados 42. For elegant fountain pens and desk accessories, try Muñagorri's at Sevilla 4. Or for the very best in giftware and ceramics, head for Grife y Escoda, Alcalá 30. Objects of art, porcelains and shimmering chandeliers are at Matute Hermanos, Barquillo 6.

Specialty shopping for pipes and smokers' accessories is at La Casa

del Fumador, Carrera de San Jerónimo 4, and flamenco dresses and dance accessories are at Maty's at Plaza Comandante las Morenas 5. Madrid's largest book store is the five-level La Casa del Libro, Gran Vía 29.

When you shop in the Salamanca district, the bordering streets are Calle Serrano (starting at the Plaza de la Independencia), Calles Goya, Nuñez de Balboa, and José Ortega y Gasset. Each store is more beautiful than the last. Cabasse at Serrano 8, is magnificent and sells blouses by Spain's famous designer Purificación García from \$35 for the sporty ones to \$200 for the silks. Lorca, at Velázquez 43, is a luxury boutique for ladies. Fancy, at Serrano 98, has the classical high quality lines. And Tres Zetas at Ortega y Gasset 17 sells the popular prêt-à-porter fashions. These are Spain's ready-mades and taking the country by storm. Expect to pay about \$180 and up for a dress.

At Adolfo Domínguez's, Ortega y Gasset 4, the designer has convinced the fashion world that wrinkles are beautiful. Consequently his all-cotton line sells well and he gets about \$360 for a man's jacket.

Other Spanish designer shops are Francisco Delgado, at Fortuny 37; Pedro del Hierro, Nuñez de Balboa 13; Manuel Piña at Matilde Hernández 34; and Elio Berhanyer, Paseo de la Habana 24.



JUDITH GLYNN is an American living in Madrid. She recently completed a brochure, "Shopping in Spain's Catalan and Valencian Communities," for the Spanish Government.

This article, "Shopping in Madrid," is the first of a series of six articles on shopping in Spain that she will write for our publication. Some will highlight a major city and others will describe

products in different Spanish regions.

In addition to being an accomplished journalist, Ms. Glynn has first-hand knowledge of Spanish products and manufacturers. Consequently this businesswoman has made the natural transition to the import/export field.

If you are interested in a personalized introduction to Spain and its import/export possibilities, Ms. Glynn can be contacted through her U.S. offices. Call, write or Telex her at: Export Marketing International, Inc. 1141 Park Avenue Cranston, Rhode Island 02920 Telephone: (401) 943-1805 Telex: 5101008389-McDONALD

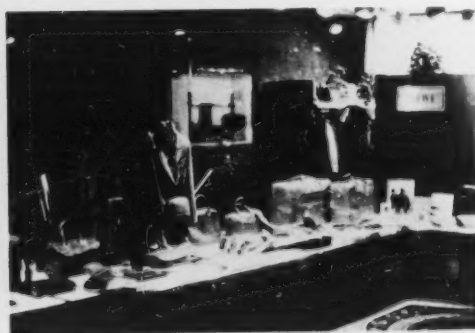
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When looking for Spanish reproductions in furniture and some rare antique finds, as well as tasteful artesanía, head for Tartesso's, Alberto Bosch, 6.

International names such as Gucci (which has fabulous men's silk ties for \$30) are at Don Ramón de la Cruz 2. Hermes and Dunhill specialty stores are next door to one another at Ortega y Gasset 26.

And if you just want to bring home a knick-knack, browse around Musgo's, at Hermosilla 36; it's an enormous bazaar with the right prices for everyone.

Popular shoe stores with Americans are Eureka's at Serrano 8, which sells Charles Jourdan shoes, starting at \$35 for leather-topped espadrilles, and handbags starting around \$50. Los Pequeños Suizos, Serrano 68, does have some half sizes; and Bravo-Java at Serrano 56



The Patronato is among Madrid's luxury shops.

has many exclusive designs and imported Italian shoes around \$70. And don't miss Salvador Bachiller's shop at Claudio Coello 45 for outstanding quality and design of all leather goods including luggage and briefcases.

A tiny hole in the wall for fancy paper goods and quality stationery sold by the kilo is Papelmania, Ayala 24; perfect for inexpensive but tasteful gifts.

The best shop for hunting equipment is Diana Turba at Serrano 68. One wall is lined with gun racks, and the firearms range from \$240 to \$6,000.

If children's clothing is your weakness, run to Nancy's at Nuñez de Balboa 35—it's beautiful. And Din-Dan, at Calle de Recoletos 21, is a favorite as well.

The Casa Bonet at Nuñez de Bal-

boa 76 has hand-embroidered linens from Palma de Mallorca; and La Cerámica de Talavera, Lagasca 44, has shelves full of the popular regional ceramics of that village. And if you have a flair for nautical items, Pirata at Nuñez de Balboa 94 is the right stop.

Besides these two famous shopping districts, Madrid has three department store chains scattered throughout the city. El Corte Inglés is the largest, and some say the best. Celso García is preferred by those wanting a touch of elegance. The stores are smaller, but you can buy a fashionable and well made skirt or blouse for around \$40. Galería Preciados is lower quality.

Look for the four Artespaña stores in Madrid; one is at Gran Vía 32 and another is off Serrano at Hermosilla 14. These stores are run by the Spanish government and sell a complete line of Spanish crafts from all over the country — ceramics, furniture, leather goods, and giftware. Spaniards think the stores are expensive but they seem to suit U.S. pocketbooks very well.

If you are partial to shopping malls, Madrid's newest and largest is located north of the city. Madrid 2, at La Vaguada, has high fashion, run-of-the-mill, cinemas, and restaurants. Take Metro Line 9 to Plaza de Castilla-Herrera Oria and walk several blocks.

The Rastro is a huge outdoor flea market located south of the Puerta del Sol around Plaza Toledo and the Cathedral de San Isidro. Sunday mornings and public holidays are when it is jammed. Spaniards prefer to shop the Rastro during the week when the antique shops are less crowded. Be prepared to haggle over price—these dealers know what they are selling.

At the Plaza Mayor on Sunday mornings, stamps and coins are sold by serious collectors and individual Sunday profiteers. Know your hobby before buying.

Convenience stores have hit Madrid. VIPS is a chain selling gifts, books, magazines, some food items, perfumes, records and cassettes; it has a restaurant and is a bustling place. There are six stores in the city and they are open from 9 a.m. straight through the day until 3:30 a.m. the next morning.



A true shopper's "find" is located right behind the Prado. Tartesso's is filled to the rafters with old and new Spanish treasures.

In general, shops open Monday through Friday from 9:30 a.m. until 1:30 p.m. and from 5 until 8 p.m. Some open Saturdays for the same hours, while others close at 3 p.m. Department stores are open Monday through Saturday from 10 a.m. until 8 p.m. with no lunchtime closing. All stores are closed on Sundays.

The peseta is Spain's monetary unit. Coins are in 1 (silver or gold), 5, 25, 50 and 100 denominations. The 100 peseta coin can be confused with the 25 peseta coin due to size, but the 100 is heavier and has a slight gold tint.

Paper notes are 100 (brown), 200 (orange), 500 (blue), 1,000 (green), 2,000 (orange) and 5,000 (purple).

Major banks have exchange counters and are open Monday to Friday from 9 a.m. until 2 p.m. Saturdays are from 9 a.m. until 1 p.m.

Madrid's Barajas Airport and the Chamatin and Atocha railroad stations have exchange counters open seven days a week. Most large department stores have exchange counters, as do major hotels, but expect the rate to be slightly in their favor.

Major credit cards and travelers checks are widely accepted throughout the city.

A few words about sizing: Try on purchases, since sizing is not uniform with all Spanish manufacturers. International brands are no problem, especially where the quality is excellent, but otherwise be careful. Spanish shoes sold in the U.S. are made differently for export. In Spain, shoes are sold only in one width, with few in half sizes. Consequently a good fit in Madrid may



Judith Glynn looks at ceramics in Tartesso's.

mean trying on several pairs, but it's worth the effort when you can buy a great pair for around \$40.

Most men's shirts comes in only one sleeve length based on the collar size. Children's clothing is generally sold by age.

All of Spain has major sales twice a year, from the middle of January until the end of February and during July and August; otherwise there are few sales as Americans know them. Look for the "rebajas" sign—the bargains are unbelievable.

As for the very popular Lladro porcelains, prices are considerably lower throughout Madrid's stores than in the U.S., but they vary from piece to piece. Since Lladro controls the number of pieces made, many stores cannot fill their orders and mark pieces at will. Shopping around doesn't always solve the dilemma, but whatever you buy in Madrid will be cheaper than in the United States.

Finally, choose all your purchases carefully. It is almost impossible to get your money back except in large department stores. Smaller shops only make exchanges, reluctantly.

If you buy more than 10,000 pesetas worth of merchandise, an 8.5% tourist discount (the VAT—Value Added Tax) will be returned. Fill out the proper forms at the larger department stores. Smaller shops display a green and yellow decal if they participate in this voluntary program; but always ask if you don't see the sign. Present the forms and the merchandise as you leave the country. After processing, your refund will be sent to your home. ☐

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INTRODUCTION OF THE V.A.T. IN SPAIN

(CONTINUED FROM PAGE 33)

and fishing, travel agencies, sales of used goods) or certain businesses (retail businesses, small businesses). In general, the idea of these rules is to reduce or simplify the administrative and accounting requirements for these taxpayers.

Transitory rules. The VAT Law establishes certain transitory rules in which the problems arising from the changeover from the present tax system to the VAT system are dealt with. Basically they refer to three matters: tax credits for inventory and fixed assets; rules for contracts for work still in process; and price policy measures.

a) The rules on tax credits tend to eliminate the accumulated indirect taxation arising from the inventory and fixed assets held by companies at the date VAT comes into force. This way their future sale would only be subject to VAT, thus avoiding

double taxation.

For this purpose, a tax credit may be taken (a percentage on acquisition price or amounts already paid) on inventory as of the end of 1985 and on fixed assets acquired during 1985. The taxpayer may offset this credit with future VAT payable during the first year that the tax is in force (in the case of inventory), or during the four following years (in the case of fixed assets).

b) As regards contracts that have effect both before and after VAT's coming into force, several articles in the Law set out the period governed by the old tax system and the new.

c) The Law mentions the possibility that the Government may establish norms for price control, but does not actually specify these norms. Therefore, further developments of this aspect of the Law are expected to appear at a later date. ☐

Perspectivas al horizonte 1986

A detailed and perceptive discussion of the outlook for the Spanish economy in 1986.

1. EL CONTEXTO ECONOMICO INTERNACIONAL: PREVISIONES 1985-86

Las perspectivas de la economía española para los próximos años requieren fijarlas hipótesis más probables del marco internacional dentro del cual deberá desenvolverse. A este respecto, son particularmente importantes las previsiones globales de comercio internacional y de crecimiento, las orientaciones de la política económica de las principales áreas, así como las hipótesis o escenarios más verosímiles en materia de cambios, mercados, financiación, etc.

A la vista de los resultados obtenidos en la primera mitad del año, las previsiones sobre el crecimiento de la economía mundial para 1985 realizadas a finales de 1984 están siendo revisadas actualmente a la baja.

La economía norteamericana ha desacelerado notablemente su ritmo de crecimiento desde una tasa próxima al 7 por ciento en 1984 al 1 por ciento en el primer trimestre, después de un invierno particularmente adverso para la actividad económica. Como resultado de ello, el comercio internacional ha crecido menos de lo esperado, afectando especialmente a las exportaciones de los países en desarrollo, cuyas posibilidades de crecimiento y de cumplimiento de sus obligaciones financieras se han visto negativamente afectados.

No obstante, el análisis de las causas de esta desaceleración de la economía mundial sugiere que la misma se debe en buena parte a elementos puramente coyunturales, mientras que los factores de fondo que actúan sobre la misma permanecen inalterados y deberían continuar posibilitando una recuperación sos-

tenida, aunque a un ritmo relativamente modesto.

La inflación de los países industrializados ha sido reducida considerablemente y no aparecen peligros en el horizonte que pudieran reactivarla. La situación de las empresas es más satisfactoria que hace dos o tres años, lo cual constituye una buena base para el crecimiento de la inversión productiva. Las condiciones monetarias se han flexibilizado en algunos de los principales países, incluyendo Estados Unidos. Finalmente, las duras políticas de ajuste llevadas a cabo en los países del Tercer Mundo, junto a la tendencia a la baja de los tipos de interés y de recuperación de los precios de las materias primas, implican que las restricciones financieras que afectan a estos países pueden ser menores que en los pasados años.

Todos estos factores positivos pueden ser contrarrestados en parte—de ahí el calificativo de relativamente modesto atribuido al ritmo de recuperación económica—por los efectos de la política fiscal restrictiva aplicada o proyectada en la mayoría de los países industrializados, aunque ello, a la larga, también debería tener efectos beneficiosos sobre los mercados financieros y sobre el clima de confianza, a la vez se eliminan algunas de las rigideces estructurales que frenan la consecución de tasas más elevadas de crecimiento.

Las previsiones de crecimiento económico en 1985 para los países de la OCDE se cifran en un 2,6 por ciento, tasa notablemente inferior al 4,8 por ciento de 1984, debido al menor crecimiento de Estados Unidos, mientras que los países de la CEE mantienen su tasa del 2 por ciento prácticamente igual a la de 1984. Para 1986 se prevé una ligera

aceleración tanto en Europa como en Estados Unidos y el crecimiento medio de la OCDE se situaría en torno al 3 por ciento.

La menor tasa de crecimiento en los países industrializados ha sido acompañada de un crecimiento más bajo del empleo en 1985. Al mismo tiempo, la población activa ha continuado creciendo a un ritmo relativamente rápido, de forma que la tasa de paro ha dejado de caer y se mantendrá previsiblemente en 1985 al mismo nivel de 1984, es decir un 8,4 por ciento de la población activa para el conjunto de países industrializados, con un aumento en los países europeos y una disminución en Estados Unidos. Para 1986 se prevé que el pago siga aumentando ligeramente en Europa y se mantenga constante en Estados Unidos.

El área donde mejores resultados está cosechando la política económica en casi todos los países es la inflación. Medida por el deflactor del consumo privado, ésta se desacelerará en torno a un porcentual en 1985 y 1986 en los países de la CEE, hasta situarse en un 4,4 por ciento en este último año, cerrándose así el diferencial respecto a Estados Unidos, cuya tasa de inflación prevista para 1986 es del 4 por ciento, medio punto más alta que en 1985.

El menor ritmo de crecimiento de la economía de los países industrializados en 1985 se ha traducido en una desaceleración del crecimiento del comercio internacional, que pasa de un 8,5 por ciento en 1984 al 4,5 por ciento en 1985, previéndose para 1986 una tasa ligeramente superior, próxima al 5 por ciento. Paralelamente, los mercados de exportación españoles, que crecieron un 6 por

ciento en 1984, crecerán en torno al 4 por ciento en 1985 y un 4,5 por ciento en 1986.

La nota más destacable sobre las posiciones de balanza de pagos de los países industrializados es la continuada y cada vez mayor diferencia entre el gran déficit por cuenta corriente de Estados Unidos y, como contrapartida, los superávits de Japón y algunos países europeos, divergencia que se prevé continúe en lo que resta de 1985 y 1986. Para este último año, el déficit por cuenta corriente de Estados Unidos puede alcanzar el 3,8 por ciento del PIB.

Los mercados de divisas asistieron en los primeros meses de 1985 a una fuerte apreciación del dólar, que dio paso a partir de marzo a una depreciación. Esta ha sido asociada a la baja de los tipos de interés en Estados Unidos que ha reducido los diferenciales favorables a los depósitos denominados en dólares, a pesar de que también los países europeos han aprovechado esta situación para bajar sus tipos. La tendencia a la baja del dólar ha sido reforzada en los últimos días con el acuerdo de los cinco principales países industrializados de economía de mercado para intervenir conjuntamente en este sentido. Esta actuación, sin embargo, sólo podrá conseguir un objetivo si las autoridades norteamericanas logran reequilibrar su economía, fundamentalmente, el enorme déficit presupuestario que, en el fondo, es el causante de los altos tipos de interés reales y, por tanto, de la elevada cotización del dólar.

En lo que se refiere a las orientaciones básicas de la política económica, en líneas generales, la estrategia económica de los países industriales ha mantenido como objetivo a medio plazo la estabilidad monetaria unida a la consecución de reformas estructurales tendentes a un mejor funcionamiento de los mercados. Los medios para su consecución han variado fuertemente en cada país, en base a las circunstancias económicas o políticas y a la mayor o menor rapidez de su puesta a punto.

La política monetaria ha perseguido el control de la inflación y de las expectativas inflacionistas. El crecimiento de los agregados monetarios

se ha disparado, en algunos casos, por encima de las previsiones, pero este objetivo intermedio ha sido considerado de forma más flexible que en tiempos pasados, ya que una ralentización en la velocidad de circulación del dinero y los cambios en la estructura del entramado financiero pudieran ser los responsables.

Las actuaciones en política monetaria han tratado de considerara un amplio espectro de variables que incluyen tipos de interés, tipos de

"La liberalización de nuestras importaciones inducirá efectos benéficos sobre nuestra tasa de inflación que contrarresará, en parte, los apuntados efectos negativos."

cambio, agregados monetarios y crecimiento del PNB, dando como resultado un signo algo más expansivo que en 1984. Los tipos de interés en Estados Unidos han descendido y Europa, aunque en menor medida, también se ha sumado a esta evolución, una vez que la caída del dólar les proporcionaba un mayor margen de maniobra, al mismo tiempo que no querían ver sus monedas revaluarse demasiado deprisa frente a la moneda americana.

La política fiscal mantiene la misma tónica de años anteriores, tratando de reducir el crecimiento del gasto público y los déficits presupuestarios. Sin embargo, el éxito de estos objetivos ha sido tan desigual como en años anteriores, manteniéndose la divergencia entre el impulso expansivo de la política fiscal en Estados Unidos y el signo claramente contractivo en Europa. El acuerdo alcanzado a primeros de agosto por el Congreso para la reducción de su déficit fiscal no resuelve el grave problema que su financiación plantea.

En Europa, a pesar del signo restrictivo de su política fiscal, no se ha conseguido en muchos casos el control del gasto público y la política de reducciones impositivas para impulsar la demanda interna está siendo de escasa entidad y no se prevé a corto plazo la posibilidad de introducir nuevas rebajas sustancia-

les en el capítulo impositivo.

Se ha proseguido asimismo otras políticas de carácter estructural como la desregulación de los mercados financieros, la reducción de subsidios a industrias en declive y la mayor flexibilidad del mercado de trabajo. Su amplitud e intensidad ha diferido considerablemente de unos países a otros.

Finalmente, no puede olvidarse en estos momentos que sobre la economía mundial, que parece encaminarse por una senda de moderada recuperación, siguen pesando factores de riesgo e incertidumbre.

Los graves desequilibrios fiscal y comercial de Estados Unidos continúan siendo un punto clave de la economía mundial ya que, a pesar de un cierto atisbo de mejoría, prosiguen condicionando los tipos de interés y el crecimiento americano y, por repercusión, el panorama económico mundial.

Los flujos monetarios entre países, procedentes de transacciones financieras, suponen un volumen bastante superior al derivado de las operaciones comerciales, con lo que los movimientos en los tipos de cambios han adquirido un comportamiento mucho más volátil que en otros tiempos.

Las tensiones proteccionistas se están recrudeciendo y pugnan por establecer barreras que, de conseguirlo, reducirían las previsiones del crecimiento del comercio mundial para este año, ya muy mermaidas en relación a 1984.

Por último, hay que tener en cuenta que el problema de la deuda externa de los países en desarrollo no está superado. Los duros ajustes a que se han visto obligados a someter sus economías no parecen todavía suficientes y las tensiones inflacionistas en algunos casos se han disparado. El menor ritmo de crecimiento del comercio mundial puede agravar aún más la situación, aunque la reducción en los tipos de interés y la baja del dólar pueden suponer un alivio de su coste. Asimismo el convencimiento a escala mundial de que la bancarrota de alguno de estos países provocaría una crisis imprevisible en el panorama financiero internacional aporta

un cierto optimismo de su resolución a medio o largo plazo.

PREVISIONES ECONOMICAS INTERNACIONALES 1985-86

	1984	1985	1986
PIB (Δ % volumen)			
CEE	2.1	2.0	2.3
USA	6.8	2.4	2.8
OCDE	4.8	2.6	2.9
IMPORTACIONES (Δ % volumen)			
CEE	6.0	4.5	5.0
USA	24.0	10.0	6.5
OCDE	11.5	6.0	5.5
OPEP	-10.0	-7.0	0.0
Otros PVD	5.0	4.5	4.5
Total mundial	8.5	4.5	4.8
Mercados españoles	6.0	4.0	4.6
PRECIOS (Δ % deflactor consumo privado)			
CEE	6.3	5.4	4.4
USA	3.2	3.5	4.0
OCDE	5.0	4.8	4.8
PRECIOS COMERCIO INTERNACIONAL (Δ % en dólares)			
Productos petrolíferos	-3.7	-2.2	0.0
Otras materias primas	2.5	-7.0	6.0
Productos manufacturados	-3.0	-2.0	10.0
EMPLEO (Δ %)			
CEE	0.2	0.1	0.4
USA	4.1	1.2	1.5
OCDE	1.5	0.8	1.0
PARO, %			
CEE	10.9	11.3	11.4
USA	7.5	7.3	7.3
OCDE	8.4	8.4	8.4
DEFICIT PUBLICO (% PIB)			
CEE	-5.5	-5.2	-4.9
USA	-3.4	-3.7	-3.8
BALANZA DE PAGOS c/c (% PIB)			
CEE	0.1	0.4	0.7
USA	-2.8	-3.3	-3.8
Japón	2.9	3.1	3.2

Fuente: D. G. de Previsión y Coyuntura

2. LA ECONOMIA ESPAÑOLA FRENTE A 1986: BALANCE Y ORIENTACIONES DE POLITICA ECONOMICA

La previsible situación de la economía española en su tránsito al año 1986 quedará caracterizada, con toda probabilidad, por una serie de rasgos positivos que coexistirán con determinadas carencias y desajustes.

En el lado positivo, hay que destacar los importantes logros en el sec-

tor exterior, que, con su amplio superávit, ha dejado de constituir un obstáculo para la buena marcha de la economía. Asimismo, la lucha contra la inflación, medida por el índice de precios al consumo, habrá dado otro importante paso al alcanzar tasas inferiores a cualquiera de las registradas en la última década. Por su parte, la disciplina en la evolución de los costes salariales y el rigor en la gestión de los agregados monetarios continuarán propiciando un marco favorable en el proceso antiinflacionario. La inversión productiva privada habrá protagonizado un recorrido positivo, que cabe pensar se prolongará en el próximo futuro. Finalmente, debe señalarse el importante camino recorrido en la reestructuración de nuestro entramado productivo.

Junto a estos rasgos alentadores, aparecen otros de carácter negativo, cuya persistencia no cabe ignorar. Así, el déficit público continúa registrando cifras, que, aun suponiendo una desaceleración respecto a los años inmediatamente anteriores, todavía representan un porcentaje elevado del PIB. Por otra parte, los logros en la lucha contra la inflación todavía se concretan en cifras algo superiores a las registradas por la mayoría de los países pertenecientes a nuestro entorno económico (OCDE y, en particular, CEE). Los problemas originados por la reestructuración industrial no han finalizado todavía y, con la próxima entrada en la CEE, cabe pensar que exigirán una mayor atención y esfuerzo colectivo. Finalmente, el fundamental problema de nuestra economía, el paro, exige esfuerzos adicionales en las políticas de ajuste a fin de alcanzar una situación susceptible de generar empleo estable y duradero.

En estas condiciones, las directrices de política económica para 1986, dentro del mayor margen de maniobra que supone la corrección y los avances en los frentes ya mencionados, no pueden ser sino una profundización de las políticas de ajuste aplicadas en los años anteriores. En principio, hay que descartar la aplicación de políticas permisivas, cuyos efectos podrían anular los logros conseguidos hasta el presente en la lucha contra los principales

desequilibrios de nuestra economía. La política económica para 1986 se enmarca, pues, dentro de unas coordenadas de rigor. No obstante, la preocupante situación del paro, junto con la ampliación del margen de maniobra disponible por las autoridades como consecuencia de los avances conseguidos en el sector exterior y en el frente de la inflación, inducirá a moderar tal rigor, manteniéndolo dentro de unas pautas que sean compatibles con una actividad económica en moderada expansión.

En consonancia con lo expuesto, las líneas maestras de la política económica aplicada en 1986, quedarán caracterizadas por las siguientes directrices.

En lo que se refiere a la *política presupuestaria* ésta queda centrada sobre los criterios de rigor y solidaridad. La política presupuestaria ha de mostrarse solidaria con el esfuerzo exigido al conjunto de la economía. En tal sentido, deberá dirigirse hacia una necesaria austeridad en el gasto, que conduzca a reducciones adicionales del déficit público, para minorar su porcentaje con relación al PIB hasta un 4,5 por ciento. Este talante de austeridad deberá simultanearse con una deseable redistribución de rentas, a través de una reducción de los ingresos públicos procedentes de las clases menos favorecidas económicamente. Este aumento de rentas en el segmento de ciudadanos con mayor propensión al consumo deberá tener su incidencia positiva en el gasto del citado agregado.

En cuanto a la *política monetaria*, ésta continuará las pautas establecidas en años anteriores y deberá contribuir a nuevos avances en la lucha contra la inflación, como paso necesario para conseguir una economía saneada y competitiva frente al exterior.

Al propio tiempo, la dosificación de los instrumentos monetarios deberá adaptarse a la necesidad de favorecer las condiciones para impulsar el despegue iniciado de la inversión privada.

A los fines expuestos, deberá simultanearse una firmeza en el mantenimiento de los objetivos de liquidez del sistema con una especial

atención a la evolución de los tipos de interés.

Finalmente en lo que a *política de rentas* se refiere, el año 1986 deberá ser una prolongación de la trayectoria seguida en años anteriores y caracterizada por una firme postura contra las tensiones inflacionistas. La previsible incidencia de la implantación del IVA en la estructura de los precios obligará a una especial atención por parte de las autoridades en este frente.

Desde la óptica de los costes, se prolongarán las directrices marcadas por el AES. Con ello, el crecimiento real de los salarios deberá ser nulo, limitándose a mantener la capacidad adquisitiva de los asalariados. Este proceso de austeridad aparece como necesario para mantener la beligerancia frente a la inflación y, al propio tiempo, conseguir resultados positivos de rentabilidad empresarial y de mantenimiento de nuestra competitividad en el mercado exterior.

Por otra parte, las previsiones apuntadas sobre costes salariales incidirán, una vez más, positivamente en la mejora de la situación financiera de las empresas, a través de incrementos adicionales en los excedentes brutos de explotación, condición necesaria, aunque no suficiente, para conseguir el necesario relanzamiento de la inversión privada.

Las líneas de política económica expuestas deberán, en definitiva, constituir un paso adelante en el camino necesario para situar nuestra economía en las condiciones de equilibrio adecuadas para generar, en su momento, los necesarios puestos de trabajo duradero y estable, objetivo final de las actuales preocupaciones gubernamentales.

Al hablar del año 1986, no cabe ignorar la especial circunstancia de la entrada de nuestro país en la órbita de las Comunidades Europeas.

El año 1986 quedará configurado como un período singular al constituir el escenario en que tendrá lugar la entrada de España dentro de las Comunidades Europeas. En realidad, a los efectos de las necesarias repercusiones económicas, el año 1986 no constituirá en muchos aspectos sino el comienzo de un pro-

ceso de bastante mayor duración, en el que se producirán los reajustes y cambios necesarios para que nuestro país quede integrado en la zona a la que naturalmente pertenece. Por otra parte, ese proceso ya ha comenzado hace años. Las estructuras productivas han ido paulatinamente aproximándose a las existentes en Europa. No obstante, todo hace prever que el proceso iniciado se acentuará muy notablemente en un futuro inmediato.

"El fundamental problema de nuestra economía, el paro, exige esfuerzos adicionales en las políticas de ajuste..."

La propia dinámica de la integración hace adivinar una serie de respuestas que nuestra realidad económica deberá aportar ante las solicitudes a las que se verá sometida por parte de la economía comunitaria.

En una primera aproximación, deberá producirse una adaptación de mayor o menor entidad según los sectores, de las pautas que rigen los procesos productivos en nuestro país a las vigentes en la CEE. La mayor eficacia en la aplicación de los factores productivos, por parte de la CEE, deberá inducir los reajustes necesarios en España, de manera que las divergencias actuales vayan minorándose hasta su práctica desaparición.

En este contexto, cabe señalar dos factores de nuevo cuño, cuya influencia deberá ser decisiva en los reajustes de nuestro aparato productivo. Por una parte, la ampliación del mercado potencial, que pasará de un mercado de menos de cuarenta millones de consumidores a otro de más de trescientos veinte millones y con muy superior capacidad de compra, implicará una reconsideración sobre las dimensiones óptimas de las empresas afectadas. Por otra parte, las diferencias que necesariamente se producirán en el aspecto concurrencial del mercado obligarán a estudiar nuevas estrategias que consideren la aparición de los nuevos concurrentes y su interrelación con los ya existentes.

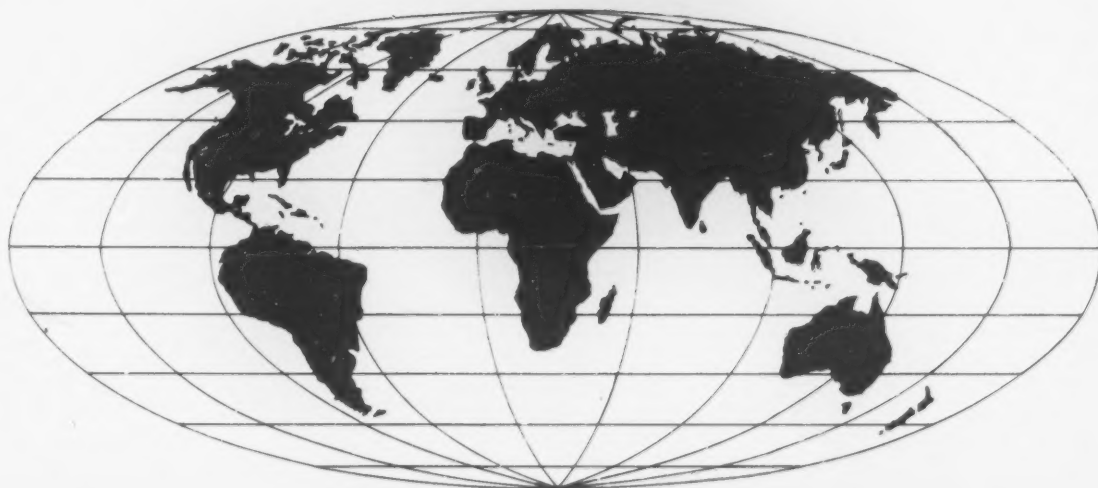
La implantación en nuestro país del acervo legislativo comunitario conllevará, asimismo, una serie de readaptaciones que afectarán al conjunto del tejido social. Refiriéndonos concretamente al campo económico y, dentro de él, a la estructura de los precios, se producirán cambios fundamentales. En una primera etapa, la implantación del IVA inducirá una serie de cambios en la estructura general de los precios, cuya repercusión será inmediata. A más largo plazo, la ampliación de los mercados ya aludida, obligará a un reajuste de precios que los adapte a la estructura vigente en la CEE. En este sentido, puede adivinarse una primera etapa en que persistirán diferencias entre los respectivos precios, que podría tener un efecto benéfico para las empresas españolas.

Con carácter general, puede, pues, afirmarse que la integración de España dentro de las Comunidades Europeas afectará directa o indirectamente, a la mayor parte de los sectores económicos y financieros de nuestra economía. La integración implicará una transformación de la economía española que conllevará la paulatina eliminación de las rigideces existentes y su sustitución por un mecanismo en el que las fuerzas del mercado desempeñarán un protagonismo mucho más relevante. La complejidad inherente a los previsibles cambios estructurales que implicará la adhesión, dificulta singularmente cualquier previsión sobre la evolución de nuestra economía. Ello no obstante, se pueden adelantar determinados aspectos concretos de tal evolución.

En principio, puede afirmarse que el nivel de protección de nuestra economía frente al resto del mundo registrará una importante caída. Ello implicará probablemente repercusiones negativas a corto plazo, en tanto que deberá aportar efectos benéficos a medio y largo plazo.

Refiriéndonos de manera concreta al sector exterior, las repercusiones de la integración a corto plazo parece que no se traducirán en un especial impulso de nuestras exportaciones. Tal criterio se justifica en base al ya escaso nivel de protección que presenta la CEE en la actuali-

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dad. Por otra parte, las cláusulas que regularán el período de transición a la adhesión impedirán durante los primeros años un especial desarrollo de las exportaciones agrícolas, para las que España dispone de una especial ventaja comparativa. En sentido contrario, a largo plazo, deberá registrarse un importante impacto positivo de las citadas exportaciones, especialmente de productos agrícolas transformados, para las que nuestro país aparece con mayores capacidades competitivas.

Por lo que se refiere a las importaciones, el primer impacto de la adhesión deberá traducirse en un aumento significativo de aquellas procedentes de la CEE. En efecto, la progresiva eliminación de nuestro comercio exterior, así como la acordada implantación del IVA, facilitarán notablemente el acceso a los mercados comunitarios. Ello implicará con toda probabilidad un importante aumento de las importaciones españolas procedentes de tales mercados, singularmente en los sectores de bienes de equipo y de artículos de consumo. Como resultado de lo expuesto, parece razonable afirmar que el impacto de la adhesión española sobre el comercio exterior, a corto plazo, implicará un deterioro de las vigentes pautas, difícil de cuantificar pero, en cualquier caso, de significativa importancia.

No obstante, este deterioro de naturaleza fundamentalmente coyuntural, podrá afrontarse sin problemas particulares dado el nivel relativamente elevado de nuestras reservas y la posición favorable de nuestros saldos exteriores.

Profundizando más sobre el posible impacto de la adhesión en el frente de los precios, aparte de las ya citadas repercusiones derivadas de la futura implantación del IVA: existen otros factores, cuya posible incidencia no debe ignorarse. En este sentido, la adaptación de los productos agrícolas españoles a la estructura de precios regida por la política agrícola común se traducirá en aumentos significativos de los precios actualmente vigentes en nuestro país para la mayoría de tales productos. A este respecto, debe tenerse en cuenta que el citado

impacto se verá atenuado, en el sentido de que sus efectos alcistas se irán produciendo paulatinamente a lo largo del período de transición. Por otra parte, la liberalización de nuestras importaciones, ya comentada, inducirá efectos benéficos sobre nuestra tasa de inflación que contrarrestará, en parte, los apuntados efectos negativos.

"La inversión productiva privada habrá protagonizado un recorrido positivo, que cabe pensar se prolongará en el próximo futuro."

Finalmente, en el lado positivo, puede preverse un continuado aumento de las inversiones directas procedentes de los distintos países miembros de las Comunidades, así como mayores facilidades de acceso a las tecnologías más avanzadas, todo lo cual ayudará, sin duda, a acelerar la necesaria reconversión de nuestro entramado industrial. De la misma manera, debe tenerse presente que la plena integración española supondrá una aportación de fondos comunitarios, procedentes de diferentes instituciones y mecanismos ya acuñados, que se concretará en un balance neto positivo a favor de España, cuya entidad no cabe ignorar.

En definitiva, las aludidas repercusiones en los diferentes sectores, junto con otras inevitables en el resto del entramado económico español, obligarán, a partir de 1986, a una especial atención por parte de los diferentes agentes económicos a los acontecimientos derivados de nuestra ya inminente entrada en la CEE. Esta integración constituye ciertamente un desafío para la economía española, que, no obstante, abordado responsable y eficazmente por el conjunto de los agentes económicos y sociales, no puede sino desembocar en una considerable potenciación de nuestro aparato productivo y bienestar general.

3. PROYECCIONES MACROECONOMICAS 1985-86

Tomando en consideración las tendencias en curso de los principales

indicadores económicos, el marco de referencia internacional y las orientaciones básicas de la política económica, podemos centrar la estimación y la previsión de nuestro cuadro macroeconómico para el presente y el próximo ejercicio.

El incremento del PIB real en 1986 se estima en un 1,9 por ciento, lo que en términos de perfil intraanual se caracterizaría por un crecimiento moderado durante el primer semestre del año — en torno al 1,5 por ciento — y más sostenido durante el segundo.

El consumo privado, cuyo débil pulso durante los primeros meses del año ha sido puesto de manifiesto anteriormente, ha registrado posteriormente una reanimación que debería acentuarse en los restantes meses del año paralelamente a la desaceleración de las presiones inflacionistas y a los efectos sobre la renta disponible derivados de la baja en las retenciones. En estas circunstancias, el crecimiento de dicho agregado para el presente ejercicio se estima en un 1,0 por ciento.

En lo que se refiere al consumo público, la voluntad de reducir el peso del déficit público y el consecuente respeto de las normas de austeridad y de moderación salarial limitará su aumento con relación a 1984 en un 2,5 por ciento.

En la formación bruta de capital observamos un elevado dinamismo de la inversión en bienes de equipo y transporte, una interrupción en el prolongado proceso de deterioro del sector construcción, así como un movimiento de reconstrucción de las existencias. Así, aunque la contribución de la construcción en 1985 será prácticamente nula, el crecimiento de la formación bruta de capital puede estimarse en un 5 por ciento.

En conjunto de estas evoluciones nos lleva a un crecimiento de la demanda interna próximo al 2 por ciento, cifra esta última que contrasta favorablemente con la caída del 0,8 por ciento registrada en 1984.

Inversamente, la contribución del sector exterior al crecimiento global de nuestra economía en 1985 será muy inferior al que tuvo lugar en 1984. En efecto, por lo que se refiere a las exportaciones reales, el nivel particularmente elevado en el que se

sitúan en razón del crecimiento experimentado durante el ejercicio anterior, la reducción del ritmo de expansión del comercio internacional en curso y la erosión de nuestra competitividad precios en el mercado exterior hacen que un crecimiento del 2 por ciento constituya una evolución tan positiva como favorable. A su vez, el mayor dinamismo de la demanda interior conlleva un aumento de nuestras importaciones estimando su crecimiento durante el presente ejercicio en un 2,5 por ciento.

En definitiva, la imagen que se desprende de la evolución de los agregados macroeconómicos en 1985 es la de un crecimiento global similar al registrado en los últimos ejercicios y comparable al estimado para los países de nuestro entorno europeo pero obtenido de un modo mucho más equilibrado, ya que, la demanda interna toma efectivamente el relevo del sector exterior.

Finalmente, en lo que se refiere al ejercicio en curso, destacan igualmente como ya lo hemos mencionado anteriormente la situación holgada de nuestros saldos con el exterior, la desaceleración de las presiones inflacionistas, la aparición de unos primeros síntomas de ruptura en el proceso de deterioro en el mercado de trabajo y la situación financiera de las empresas mucho más confortable.

Si centramos nuestra atención en el próximo ejercicio, las perspectivas que se presentan son las de una progresiva consolidación del ya mencionado proceso de sustitución de la contribución neta del sector exterior al crecimiento económico por el de la demanda interna.

No obstante, el ejercicio de 1986 incorpora toda una serie de dificultades suplementarias de cara al establecimiento de las proyecciones macroeconómicas por coincidir con modificaciones tan importantes como la integración efectiva en la Comunidad Económica Europea, la introducción del IVA, etc.

Teniendo en cuenta estos elementos de incertidumbre, el escenario macroeconómico más probable y verosímil queda caracterizado por los siguientes puntos.

La atenuación en el proceso de moderación salarial, las medidas fiscales recientemente adoptadas y la probable ruptura en el proceso de la caída del empleo amplían sustancialmente las posibilidades de incremento de la renta real disponible de los particulares y hacen previsible una expansión del consumo privado real del 1,6 por ciento.

A su vez, la previsible consolidación del movimiento ascendente tanto de la inversión en bienes de equipo como de la construcción hacen fácilmente alcanzable un incremento de dicho agregado en un 6 por ciento en 1986. Cabe pues destacar que este escenario supone dos años consecutivos de variación positiva de un componente tan estratégico como lo es la inversión, hecho que no se producía desde la precipitación de la crisis económica hace más de diez años.

La necesidad y la voluntad de continuar reduciendo el peso del déficit público se plasma en unos presu-

puestos generales para 1986 con un incremento moderado del consumo público limitando su tasa a un 0,5 por ciento.

El conjunto de estas evoluciones desemboca en incremento del conjunto de la demanda interna en 1986 del 2,3 por ciento.

Finalmente, en los que al sector exterior se refiere, el escenario macroeconómico para 1986 contempla un ritmo sostenido del aumento tanto de las exportaciones como las importaciones reales, 5 y 4,5 por ciento por lo que su contribución neta al crecimiento del PIB es marginal.

En síntesis, las estimaciones y previsiones macroeconómicas para el presente y el próximo ejercicio suponen un paso suplementario y sustancial en el proceso de ajuste de nuestra economía que se planteó como objetivo el Gobierno con el fine de sentar unas bases sólidas de cara al relanzamiento estable de la actividad y la generación de empleo.

CUADRO MACROECONOMICO 1983-86

(Tasas de crecimiento real en %)

	1983	1984	1985(a)	1986(p)	Medias anuales		
					1980-82	1983-84	1985-86
Consumo privado nacional.....	0,7	-0,8	1,0	1,6	0,4	-0,1	1,3
Consumo público.....	4,7	3,0	2,5	0,5	4,1	3,8	1,5
Formación bruta de capital.....	-3,4	-3,2	5,0	6,0	-1,4	-3,3	5,5
Demanda nacional.....	0,4	-0,8	1,9	2,3	0,4	-0,2	2,1
Exportación de bienes y servicios.....	8,3	15,4	2,0	5,0	4,7	11,8	3,5
Importación de bienes y servicios.....	-0,3	1,0	2,5	4,5	1,7	0,3	3,5
PIB a precios de mercado.....	2,1	2,3	1,9	2,5	0,9	2,1	2,2
Deflactor del PIB.....	11,8	11,3	9,2	8,3	13,7	11,6	8,7

(e) Estimación

(p) Previsión

Fuente: Contabilidad Nacional de España, INE Banco de España y Dirección Gral. de Previsión y Coyuntura.

4 Stars for Costa del Sol's Hotel Mijas

The exclusive and luxury Hotel Mijas in Mijas, near Marbella on the Costa del Sol, under the French/German management of Peter and Gilda Bartmann, was awarded 4-star category in September after the completion of a refurbishing program. The hotel's facilities now include two conference rooms for private meetings, attractive suites, an extended pool area, and exotic gardens. And to the existing two restaurants has been added a third, "The Bodega."



La Delegación de la Vía Marítima de los Grandes Lagos efectuará una promoción comercial en Barcelona

"El comercio no vendrá a nosotros," a dicho el administrador del St. Lawrence Seaway Development Corporation. "Nosotros tenemos que ir en busca de él y lo estamos haciendo con agresividad."

CUANDO el Sr. James L. Emery fue nombrado Administrador de la Compañía de Desarrollo del Río St. Lawrence (St. Lawrence Seaway Development Corporation) por el presidente Reagan en enero del año 1983, hubo muchas personas que albergaban dudas debido a que el Sr. Emery no tenía experiencia marítima. No obstante, el Sr. Emery no se desmoralizó. Más bien, mediante el marketing, el Sr. Emery ha adoptado una postura dinámica, "pro-activa", en la administración de la Compañía de Desarrollo, para de esta manera aumentar el volumen de carga transportada a través de la Vía Marítima del Río St. Lawrence y ha trabajado para unir a una comunidad portuaria de los Grandes Lagos que previamente estaba dividida. "La misión principal de la Compañía de Desarrollo de la Vía Marítima de los Estados Unidos consiste en el funcionamiento de las esclusas americanas en el Río St. Lawrence, así como en la administración conjunta de la vía marítima con nuestra agencia hermana canadiense, la Oficina de la Vía Marítima del Río St. Lawrence (St. Lawrence Seaway Authority).

Hemos ejecutado nuestra función básica durante más de 25 años y lo hemos hecho muy bien. No obstante, es tiempo de que nos dediquemos a un comercio mayor y a un aumento del tráfico a través de la vía marítima. Mi organización trabaja vigorosamente con los puertos de los Grandes Lagos para efectuar un marketing cooperativo que nos ayudará a lograr esta meta. Nuestro sistema, que tiene 26 años en funcionamiento, anualmente traslada más de 40 millones de toneladas métricas de carga, pero tenemos el potencial de hacernos cargo de 80 millones de toneladas métricas. El papel de mi oficina consiste en atraer a los barcos a nuestro sistema y

luego dejar que los puertos de los Grandes Lagos compitan por la carga."

"Hablando con franqueza, nuestro objetivo consiste en demostrar a la comunidad comercial de España que el Sistema de la Vía Marítima del Río St. Lawrence puede ofrecer un acceso directo al centro agrícola e industrial de los Estados Unidos y del Canadá".

—JAMES L. EMERY

Como Administrador, el Sr. Emery ha puesto en práctica una serie de innovaciones orientadas hacia esta meta. La primera consistió en la creación de la Oficina de Desarrollo

El Administrador de la Compañía de Desarrollo, James L. Emery

El Sr. James L. Emery, del estado de Nueva York, es el quinto Administrador de la Compañía de Desarrollo de los EE.UU. para la Vía Marítima del Río St. Lawrence. Nombrado por el presidente Reagan, el Sr. Emery recibió confirmación unánime por el Senado. El día 2 de febrero de 1984, prestó juramento oficial ante el Ministro de Transportes, la Sra. Elisabeth Hanford Dole.

Antes de aceptar el cargo de la Vía Marítima, el Sr. Emery fue Jefe de la Minoría de la Asamblea del Estado de Nueva York, cuerpo legislativo en el cual sirvió durante 18 años. Anteriormente a este cargo sirvió como Sheriff del Condado de Livingston, estado de Nueva York.

La Compañía de Desarrollo de la Vía Marítima del Río St. Lawrence es una empresa que en su totalidad es propie-

Para el Comercio y el Tráfico de la Vía Marítima, la cual tiene oficinas sucursales a través de los estados de los Grandes Lagos que actúan como puntos de comunicación y enlace con las actividades gubernamentales y legislativas en Washington y al mismo tiempo participan en el desarrollo del marketing para la totalidad del sistema. La primera misión comercial conjunta de este tipo, compuesta por representantes de los Estados Unidos y del Canadá, fue creada y en enero y febrero de 1985 la Compañía condujo a una delegación binacional con 30 participantes a Europa occidental. Como acción posterior a esta exitosa misión, los representantes del puerto de Amberes recientemente viajaron por los Grandes Lagos para apreciar de primera mano y con mayor detalle el servicio y las instalaciones.

El Sr. Emery y la Compañía de la Vía Marítima actualmente apoyan a una segunda misión comercial a Portugal, España, Italia y Yugoslavia. Los participantes incluirán a representantes de puertos estadounidenses y canadienses, a miembros de compañías de transportes y de la industria de los granos cereales de los EE.UU. y de las provincias canadienses. La decisión de visitar a estos países fue tomada como resultado de



dad del gobierno y no recibe contribuciones financieras estatales. Más bien, la empresa es una entidad autosuficiente que se mantiene solamente mediante los derechos de transporte recaudados de los usuarios de la vía marítima.

St. Lawrence Seaway System



Saint Lawrence Seaway Development Corporation

un análisis de las importaciones y exportaciones de los estados del Mediano Oeste, basada en datos comerciales compilados por el Jornal del Comercio. Este análisis del año 1984 demostró que existía un tráfico de 3.5 millones de toneladas métricas de carga entre España y puntos de destino del Mediano Oeste. Sin embargo, gran parte de esta carga no pasó por los puertos más cercanos y más eficientes de los Grandes Lagos.

El día 24 de febrero de 1986, la Delegación de la Vía Marítima de los Grandes Lagos ofrecerá un seminario y un almuerzo en el Hotel Princesa Sofia de Barcelona. A través del Sr. Kevin Brennan del Consulado de los Estados Unidos en Barcelona, pueden obtenerse invitaciones e información más detallada, o bien puede dirigirse por escrito a la Srta. Helen A. Brohl, St. Lawrence Seaway Development Corporation, P.O.Box 44090, Washington, D.C. 20026-4090, EE.UU. □

SPANISH EXCHANGE CONTROLS

(CONTINUED FROM PAGE 32)

way as resident Spanish nationals, except with respect to assets owned by them before taking up residence and the income therefrom. No authorization is required with respect to the following transactions:

- Monthly remittances abroad of up to 50% of salary.
- Expenditure on real property situated abroad of up to Ptas. 500,000 in any year.
- Medical expenses incurred abroad plus up to Ptas. 100,000 for out-of-pocket travel expenses.
- Minor payments of up to Ptas. 50,000 per month.

At the end of his period of residence, the foreign national can remit without restriction any balance of his salary and the proceeds of disposal of any investment (as long as it was not made with "internal" pese-

tas or for speculative purposes), provided that he has complied with all his Spanish tax obligations.

Nonresident foreign nationals working in Spain can remit abroad each month up to 65% of any salary earned in Spain and any balance can be remitted when they leave Spain.

Nonresidents can take out foreign currency up to Ptas. 500,000 or more if this is less than they brought with them on coming into Spain. □

SWEET CHERRIES (CEREZAS)

We are interested in importing Sweet Cherries (Cerezas) with or without stems packed in SO 2 brine, in 110 kilo drums. Contact: Mr. David Lax, President PARADISE PRODUCTS CORP. 187-10 Jamaica Ave., Hollis, NY 11423

El alcalde de Cádiz visita la Cámara

Durante su reciente viaje por Estados Unidos, el Alcalde de Cádiz, D. Carlos Díaz Medina, se reunió el lunes 25 de noviembre con el Director Ejecutivo de la Cámara, Miguel Sebastián, y su ayudante, Antonio Camuñas. Durante la reunión, el Alcalde informó a la Cámara de las distintas ventajas de inversión ofrecidas por Cádiz, tanto en sector agroalimentario como en lo referente a las zonas de urgente reindustrialización en la Bahía Gaditana.

La Cámara, por su parte, informó a Sr. Díaz de las características esenciales del mercado norteamericano, así como del plan de organizar una semana de Andalucía en Nueva York el año próximo. El Alcalde de Cádiz mostró mucho interés en este proyecto y aseguró la participación activa de la provincia de Cádiz en el programa.

Bloomington's Hosts Reception for Spanish Royalty

Bloomington's hosted a reception on November 9th to introduce to the United States "La Bodega Sherry Wine Vinegar," a fine gourmet product imported from Spain by Andalusia Imports Co. Ltd. Honored at the reception was Her Royal Highness the Infanta Doña Pilar, Duchess of Badajoz, sister of King Juan Carlos I.

"La Bodega Sherry Wine Vinegar" is representative of Spain's capability for producing food products of exceptional quality. It is bottled by Don Fernando de Andrada-Vanderwilde, with package design by Count Has Kageneck.

In presenting this unique product, Bloomington's took the lead in introducing to the American market the wide variety of premium foods from Spain imported by Andalusia Imports Co. Ltd., which also include white asparagus, saffron, pimento, mushrooms, olives and olive oil. Guests at the reception had an opportunity to sample many of these products, including the sherry wine vinegar, as ingredients in *tapas* prepared from the recipes of Penelope Casas, author of the acclaimed *Foods and Wines of Spain*.

George Sayn, owner of Andalusia Imports Co. Ltd., welcomed special guests from Spain and the United States including Ambassador Angier Biddle Duke, Ambassador Jaime de Piniés, Ambassador Manuel Sassot, Inmaculada de Habsburgo, and many other distinguished guests. The Chamber was represented at the reception by Miguel Sebastián and Antonio Camuñas.

Guests toasted the evening with Cava, the sparkling white wine donated by Wines of Spain, and were entertained by Los Albahaca, classical flamenco guitarists flown from Spain for the occasion.

Mr. Sayn, a corporate communications executive, founded Andalusia Imports Co. Ltd. to realize Spain's potential for the export of its excellent agricultural products.

Our congratulations to the organizers of this successful presentation, and our best wishes for the future of Andalusia Imports Co. Ltd.

Reunión de la Cámara con la Junta de Andalucía

En la Oficina Nacional Española de Turismo de Nueva York, que amablemente cedió su sala de reuniones para la ocasión, ha tenido lugar una reunión entre representantes de la Delegación de la Junta de Andalucía y la Cámara de Comercio.

Entre los miembros de la Delegación andaluza que acudieron a la citada reunión se encontraban Manuel Castillo, Consejero de Turismo, Comercio y Transportes, Antonio Gámiz, Viceconsejero de Agricultura, Ignacio López de Hierro, Presidente de la Sociedad para la Promoción y Reconversión Económica de Andalucía (SOPREA), Miguel Saie, Asesor Económico del Presidente de la Junta y Presidente de Copasa.



MIGUEL ZAVALA

Por parte de Investandalucia, acudieron Leopoldo de la Mata, Presidente, Javier Benjumea, Vicepresidente, Fernando Feijoo, Consejero Delegado, Felipe Moreno de la Cova y Federico Fernández Santos, Presidente de la Caja Rural de Sevilla.

Por parte de la Cámara se encontraba nuestro Presidente Joseph Sanchez, el Director Ejecutivo, Miguel Sebastián, el Adjunto al Director Ejecutivo, Antonio Camuñas, y el Asesor de Comercio Exterior, Antonio Baselga. Asistieron asimismo, el Vicepresidente de Wertheim & Co. y ex-Presidente de la Cámara, Felipe Propper, y el Vicepresidente Ejecutivo de Goya Foods, Joseph Unanue Jr.

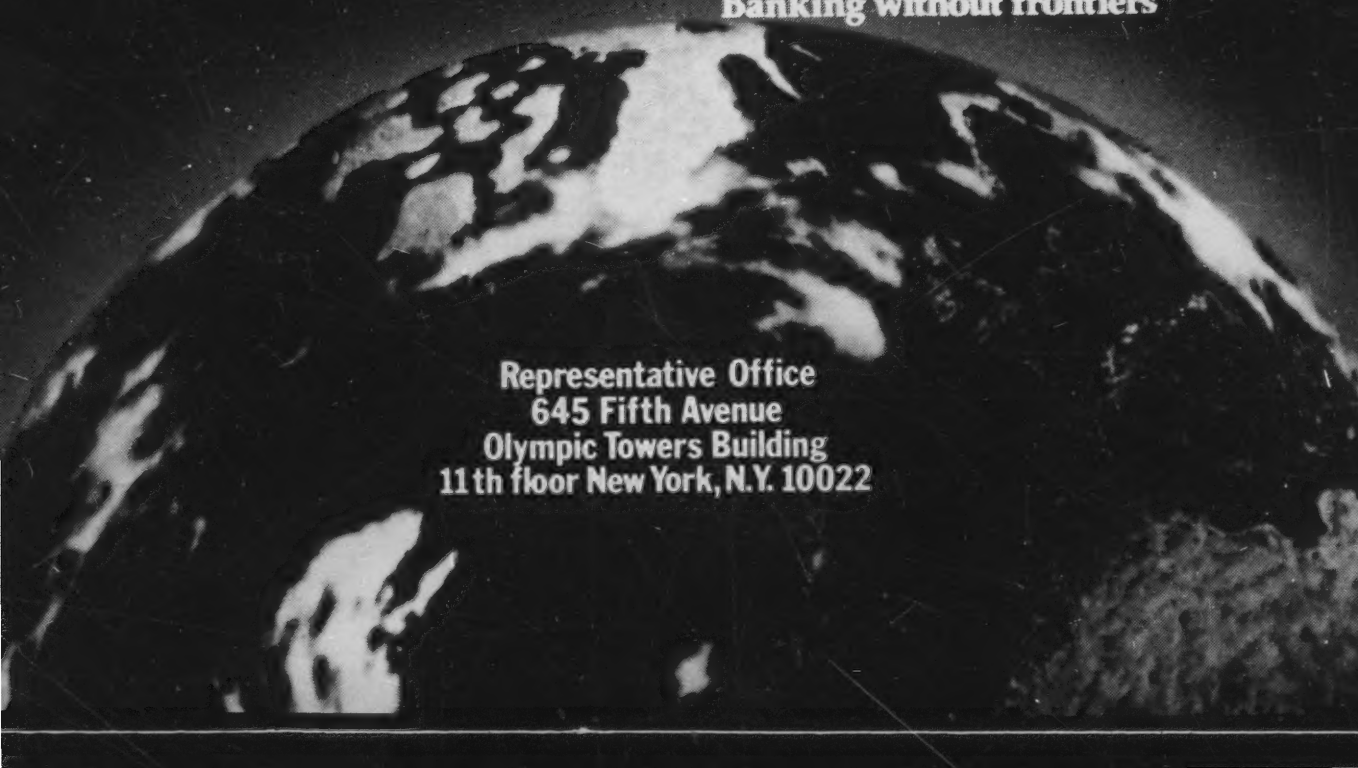
Durante la primera parte de la reunión, el Sr. Unanue hizo una exposición detallada sobre la estructura del sector alimenticio en los Estados Unidos, con especial referencia al mercado Hispano, en el cual Goya Foods es la cadena más importante de distribución de productos alimenticios.

La segunda parte de la reunión se centró en conversaciones dirigidas a estrechar las relaciones y la colaboración entre esta Cámara de Comercio y la Junta de Andalucía. Esta última acogió muy favorablemente la propuesta de la Cámara de organizar una "Semana de Andalucía" en Nueva York el año próximo, así como el proyecto de recibir un becario de la Junta que colaborase con la Cámara y actuase como nexo en las relaciones comerciales entre la Comunidad Andaluza y los Estados Unidos.

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Motores, 54
08004 Barcelona
Tel: (93) 432 29 99

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Incandescencia Española, S.A.
Gran Vía 565
Barcelona-11

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Músico Ginés, 31-6
Pza. Honduras, 12, 23
46022 Valencia

Waste products of polychloride vinyl:

Granpas Vinilicas Plásticas, S.A.
Polígono Ind. Can Volart
Naves 1-2
Ctra. Nacional 152, Km. 22
Partes de Valles (Barcelona)

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Marco International, S.A.
Paseo de la Castellana, 192
28046 Madrid

Marble and granite:

Granimarmol
Comandante Aorita, 13
Despacho 512
28020 Madrid

Electrical energy lines (electric, telephone, railway):

Royales, S.L.
Polígono "Royales Altos,"
Nave 6
La Puebla de Alfanden
(Zaragoza)
Tel: 10 77 90

Electrical energy lines:

Instrumentación Electrónica
Promax, S.A.
Francesc Moragas, 71-75
L'Hospitalet de Llobregat
(Barcelona)
Tel: 337 90 08

Gift items; Spanish crafted furniture:

Artestilo
J. Antonio Marín Cubillo
Fermín Galán Lerena
c/ Sánchez Barcaiztequi, 33
28007 Madrid
Tel: 251 95 28 - 789 15 20

Seeks representative for curtains, bedspreads, comforters:

Sociedad Anónima Sanpere
Calle Corcega, 329
08037 Barcelona
Tel: (93) 237 01 01

Textile fabricators:

Luis Molina Ferre, S.L.
Dr. Fleming, 16
Bañares (Alicante)
Tel: (965) 56 61 22

Lathing for buildings and homes; wine; canned fish; dry fruit; clothing (fashion):

COMEXVAL
c/La Coruña NT-5B
Edificio Atalaya
Apartado 82
Carco de Valdeorras (Orense)
Tel: 32 02 42

Machine tools and accessories:

Euskotools
Maria Diaz de Haro, /& bis.
Dpto. 19
48013 Bilbao (Vizcaya)
Tel: 441 57 04 - 441 50 62

Machine accessories:

Mddinabi Rodamientos, S.A.
Juan de Urbieto, 5
Madrid-7
Tel: 433 12 00

Steel and mechanization:

Ribas, S.A.
Joan XXIII, 27
Expluges de Llobregat
(Barcelona)
Tel: 372 09 11

Lamps and related products:

J. Feliu de la Peña, S.A.
Apartado de Correos, 98
Granollers (Barcelona)
Tel: 849 04 33 - 849 07 54

Women's fashions:

Jolanda Martín
Diagonal, 505
08029 Barcelona
Tel: 239 47 21

Public relations company seeks to represent U.S. companies in Spain:

Feedback Imagen y
Comunicación, S.A.
Zurbaran, 7
28010 Madrid
Tel: 410 30 01

Picture frames and related items:

Molgra, S.A.
Pablo Ferrán, 11
Tàrraga (Lérida)
Tel: (973) 31 23 04

Brass doorknobs; battery terminals for automobiles:

Cohega S.A.
Polígono Industrial
c/ J. N2 - Apartado 208
Valls (Tarragona)

Cosmetic products:

Lendan Ibérica, S.A.
Laboratorios Químico-
Cosméticos
c/ Sta. Cruz de Calafell, 51
Sant Boi de L. (Barcelona)
Tel: 654 45 51 - 661 68 97

Cosmetics and plastic weight-losing garments:

Industrias Estéticas Garlons
Calle Alboraya, 26
46010 Valencia

Sickles for agriculture and gardening:

Eladio Reguillo
Apartado 6
La Solana (Ciudad Real)
Tel: (926) 63 15 08

Textile machinery:

Pannon
Calle Mata, 34
Mataró (Barcelona)
Tel: 790 37 85

Phonograph records:

Distrimusic, S.A.
García de Paredes, 12 - 1º
28010 Madrid
Tel: 445 84 09

Spanish garlic:

Sr. D. Manuel Caperrós
de Harón
Canten Grande 16-17 - 9º
15003 La Coruña

Sweaters; mattress covers:

Confecciones ROSER
Nava de Porta, 22, bis.
08016 Barcelona
Tel: (93) 351 11 53

Garlic powder:

Aconsalsa
Ctra. de Montalbán-La
Rambla, Km. 2
Montalbán de Córdoba
Tel: 31 02 00

Materials for fabrication of tennis balls:

Jucabei, S.A.
Narvaéz, 86
Madrid-é
Tel: 411 23 00 - 27 69 19

Leather belts for men and women, all price levels:

Miguel Bellido, S.A.
Polígono Industrial Mazaneres
Ciudad Real
Tel: 65 05 44

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Avenida de Quel, 35
Apartado, 48
Arnedo (Logroño)
Tel: 38 02 00

Orthopedic equipment, wheelchairs:

T. Uribarri, S.L.
Polig. - Bakiola, s/n
Arrankudiaga (Vizcaya)

Knapsacks; ceramic dolls; valises; plastic tucks for clothing; vegetables; olive oil:

Scandess, S.A.
Guzmán el Bueno, 48
28015 Madrid

Children's toys of plastic and vinyl:

Jugasa Ltda.
Dr. Salcedo, 69, Aptdo. 36
Onil (Alicante)
Tel: 56 48 00

Synthetic iron oxides (yellow and red); speed reducers for heavy and light machinery:

Variexport, Trading Agency
Avda. Barberà, 142
Aptdo. 2003
Sabadell (Barcelona)

Children's clothing (to age 16):

Kiddyland
Lear Styl, S.A.
Roger de Lauria, 90
Correos, 51
Mataró (Barcelona)
Tel: 798 98 00

Fruit juices; accessories for motorcycles, cars, sports boats and bicycles; tools (hardware); lithographs and home decorations; wines and champagnes:

M&B Consulting
Diputación, 237, 6º, 1º
08007 Barcelona
Tel: 318 98 91 - 301 85 76

COMPANIES SEEKING REPRESENTATION

SEEKS REPRESENTATIVE AND DISTRIBUTOR IN THE U.S. FOR COSMETIC PRODUCTS AND WEIGHT-LOSING PLASTIC GARMENTS: Industrias Estéticas Garlons; Calle Alboraya, 26; 46010 Valencia; Tel: (6) 360-8165. Attn: Francisco Carbajera.

COMMERCIAL AGENT CONNECTED WITH THE TEXTILE INDUSTRY is interested in representing or purchasing cardboard or plastic cones or cylinders. Would also purchase batches or remnants from the textile industry. References will be provided upon request. Contact: JUAN RIFA PARES; Cataluña, 12; Santa Eugenia de Berga; Vic (Barcelona), Spain.

SPANISH AGENCY seeks export/import businesses desiring promotion and commercialization of their products: SCEVOLA International; Aptdo. de Correos, 1.334; 46080 Valencia.

SEEKING CAPITAL INVESTMENT for construction and exploitation of industrial complex in the field of video and film, including production studios and postproduction facilities. Contact: Y.G. Comercial, S.A.: P.O. Box 36.187; 28080 Madrid; Telex: 92 230 COCIN E.

REPTILE-SKIN ARTICLES: Spanish exporter seeks importer of leather goods. Contact: Mr. Pedro Van Stokkum, Importer/Exporter; Calle Vista Alegre 11-5b; Porto Pi Palma de Mallorca; Tel: 40 21 62.

Productos Españoles Solicitados

Ropa de niño:

Mrs. Carmen Prada
1545 Stuyvesant Ave.
Union, NJ 07083

Ropa de niño:

Mr. Esteban Arévalo
323 West 55 Street
New York, NY 10019

Perfume:

Mr. Agustín Corbella
4635 N.W. 31st St. Avenue
Gainesville, FL 32606

Curtidos:

Ms. Cleusa D. Ribeiro
Eximplast Corp.
Empire State Bldg.
350 Fifth Avenue
Suite 6302
New York, NY 10118

Artículos de decoración y joyas:

Mr. M.A. Robinson
628 Egan Avenue
Verdun, Quebec H4H 1W5
Canada

Artículos personales

de cuero:

Ms. M. C. Susan de Maio
Caprice Imports
Bradford Boyd
Frances Olmsted
2 Ellis Place
Ossining, NY 10562

Zapatos:

Mr. Roland Petersen Press
Petersen Import/Export
32140 Ortega Highway
Lake Elsinore, CA 92330

Cerámica, zapatos, lámparas, carteras:

Mrs. Dixiana Cueto
5414 Park Avenue
West New York, NJ 07093

Azafrán:

Mr. Robert Santi
73 Harding Avenue
Nevington, CT 06111

Artículos de decoración:

Ms. Rose McNeese
Import Rose McNeese
5 Seagrape Terrace
Ormond Beach, FL 32074

Equipo Médico:

Mr. Ward Sotson
Vern Scientific, Inc.
1459 E. De Amo Boulevard
Carson, CA 90746

Artículos de regalo:

Vitel Importers
Mr. Vito Buffa
1464 East 7th Street
Brooklyn, NY 11230

Polyurethane for flooring and other covering uses:

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50011-Zaragoza
Tel: (976)34 22 00

Guitarras:

Mr. Kenneth Haley
K. L. Haley Import-Export
P.O. Box 521
Hempstead, TX 77445

Ropa de cuero y piel:

Mr. Chris Gable
1155 Park Avenue
New York, NY 10128

Cosméticos:

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Texas Enterprises
P.O. Box 1174
Kingsville, Texas 78363

Azafrán:

Mr. Neyer
Naymok International
22981 Triton Way
Unit C
Laguna Hills, CA 92653

Pasta alimenticia:

Mr. Jarle Dragbik
Demaco International
875 Merrick Avenue
Westbury, NY 11590-6699

Muebles:

Dixie Cramer
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International Trade Fairs in Spain, 1986

JANUARY

- Jan. 14-18
Valencia "TEXTILHOGAR"—International Fair of Home Textiles and Decoration.
- Jan. 22-26
Zaragoza "ENOMAG"—International Fair of Machinery and Equipment for Wine Cellars
- Jan. 28-30
Barcelona "SALON GAUDI"—Ready-made Men's Wear (First Edition)
- Jan. 28-Feb. 2
Madrid "FITUR"—International Tourism Fair

FEBRUARY

- Feb. 1-9
Barcelona "Salón Náutico Internacional y Sector Caravaning"—International Boat Show and Caravaning (Mobile Homes) Sector
- Feb. 6-11
Valencia "FEJU"—International Toy Fair
- Feb. 7-11
Valencia "DIPA"—International Fair of Didactical Materials, Teaching Methods and Stationery
- Feb. 11-15
Madrid "SICUR"—International Security Systems Fair
- Feb. 13-16
Valencia "FIMI"—International Fair of Children's and Young People's Fashions
- Feb. 21-25
Valencia "CERVIDER"—Fair of Ceramics, Glass and Decorative Items
- Feb. 21-25
Zaragoza "SMOPYC"—International Fair of Public Works and Construction Machinery
- Feb. 28-Mar. 2
Madrid "IBERMODA"—International Exhibition of Men's Fashions
- Feb. 28-Mar. 2
Madrid "IMAGENMODA"—International Exhibition of Women's Fashions

MARCH

- Mar. 4-6
Barcelona "SALON GAUDI-MUJER"—Ready-made Ladies' Wear
- Mar. 8-13
Barcelona "ALIMENTARIA"—International Food Show
- Mar. 10-14
Valencia "CEVISAMA"—Fair of Ceramics, Glass and Facing for the Building Industry, Sanitary Ware, Raw Materials and Machinery for the Ceramic and Glass Industry
- Mar. 11-14
Elda (Alicante) "FICC"—International Footwear and Allied Industries Fair
- Mar. 12-15
Zaragoza "ROBOTICA"—International Show of Technology and Robots
- Mar. 15-23
Madrid "BRICOLAGE"—Do-It-Yourself International Exhibition

APRIL

- April 9-13
Barcelona "RODATUR"—International Tourism Show
- April 11-16
Valencia "FIAM"—International Fair of Jewelry, Lamps and Metal Arts
- April 11-17
Zaragoza "FIMA"—International Agricultural Machinery Technical Fair
- April 18-22
Bilbao "AMBIENTE"—International Fair of Installations
- April 19-23
Valencia "SALON DE LA MUSICA"—International Musical Instruments and Accessories Show
- April 19-26
Las Palmas International Fair of the Canary Islands
- April 19-28
Sevilla International Iberian-American Trade Fair
- April 22-27
Barcelona "COSMO"—International Defense and Aerospace Show
- Apr. 26-May 1
Barcelona "EXPOMOVIL"—International Show of Automation and Transportation Techniques
- Apr. 30-May 4
Valladolid "BICI-MOTO"—International Bicycle, Motorcycle and Ancillary Parts Fair

MAY

- May 6-11
Valencia "FIV"—Valencia International Trade Fair
- May 14-17
Elda (Alicante) "MODATECC"—Footwear Technology and Fashion International Fair
- May 22-25
Valencia "EXPOFARMACIA"—International Congress and Exhibition of Pharmaceutical Specialties
- May 23-26
Madrid "EXPO-OPTICA"—International Optical Instruments Exhibition
- May 26-30
Madrid "TEM"—International Show of Municipal Equipment and Techniques
- May 30-June 3
Mahón (Menorca) "SEBIME"—International Costume Jewelry in Spain

JUNE

- June 7-15
Barcelona International Trade Show

JULY

- July 16-20
Zaragoza "EXPO-BAJA"—International Show of Competition Vehicles
- July 18-28
El Ferrol (La Coruña) International Trade Show of the Northeast

AUGUST

Aug. 2-17
Gijón
(Asturias)
International Trade Show of Asturias

SEPTEMBER

September
Barcelona
September
Barcelona
Sept. 9-12
Elda (Alicante)
Sept. 11-14
Valencia
Sept. 15-21
Barcelona
Sept. 19-22
Valladolid
Sept. 20-28
Lérida
Sept. 23-28
Barcelona
Sept. 23-28
Valencia
Sept. 26-28
Madrid
Sept. 26-28
Madrid
"SALON GAUDI" Men's Wear (Second Edition)
"SALON GAUDI"—Women's Wear (Second Edition)
"FICC"—International Footwear and Allied Industries Fair
"FIMI"—International Fair of Children's and Young People's Fashions
"SONIMAG"—International Image, Sound and Electronics Show
International Trade Show of Valladolid
"EUROFRUIT"—International Agrarian Show of San Miguel
"LIBER"—International Book Fair
"FIM"—International Furniture Fair
"IBERMODA"—International Men's Fashions Exhibition
"IMAGENMODA"—International Women's Fashions Exhibition

OCTOBER

Oct. 1-4
Bilbao
Oct. 14-18
Madrid
Oct. 16-26
Valencia
Oct. 17-21
Valencia
Oct. 22-29
Bilbao
Oct. 29-Nov. 2
Valencia
"FERROFORMA"—International Hardware Show
International Electricity Show
"IBERFLORA"—International Fair of Horticulture, Equipment, Machinery and Sundries
"EUROAGRO"—International Fair of Agricultural Production and Marketing
"BIEMH"—International Show of Tools and Machinery
"FIMMA-MADERALIA"—International Show of Machinery for the Wood and Furniture Industry

NOVEMBER

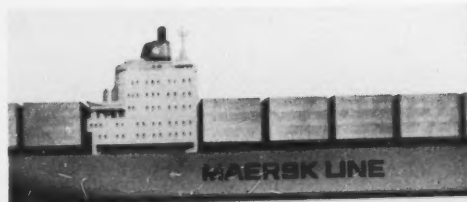
Nov. 14-21
Madrid
Nov. 19-21
Elda (Alicante)
Nov. 20-24
Bilbao
Nov. 25-28
Valencia
"SIMO"—International Business Equipment and Data Processing Show
"MODATECC"—Footwear Technology and Fashions International Fair
"SINAVAL"—International Naval, Maritime and Port Show
"INDUFERIAS"—International Parks Show

DECEMBER

Dec. 2-5
Madrid
"INSTRUMENTALIA-EXPOMEDICA"—International Show of Scientific, Medical and Technical Instruments

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Spanish Food: Many Succulent Surprises

SPANISH FOOD is as diverse and full of surprises as Spain itself. But there are certain ingredients you can expect to enjoy: lemon, garlic, olive oil, pine nuts, almonds, and, especially, onions. Spanish food is not unduly spicy, but it is well seasoned.

You can also count on foods being fresh and seasonal, such as artichokes, oranges, wild asparagus and tiny strawberries in the spring, partridge and other game in the fall.

Expect also to find some of the best, freshest and most varied seafood in the world. Even Madrid, in the very center of the country, prides itself on having seafood only a few hours removed from the sea.

In Barcelona, which embraces the Mediterranean, there is a harvest of seafood, shrimp, fish, squid and clams. They are often served in aromatic stews called *zarzuelas* or *opera*, or in a medley with rice known as *paella a la Parellada*, a close cousin of *paella Valenciana*, the rice-seafood dish served further south in Valencia.

While in Córdoba, Seville, Granada, and the coast resorts of Marbella and Torremolinos, be sure to sample such Andalusian specialties as *gazpacho*, *sopa de*



ajo blanco (a special Granada soup made with ground almonds and white garlic), and the tiny fish known as *chanquetes*, fried gossamer-crisp.

A visit to Santiago de Compostela in the fertile, lushly green northwest corner of Galicia, gives you the chance to savor *caldo Gallego* (a hearty meat and vegetable soup), *empanadas* (fish- or meat-filled pies), Atlantic seafood, *lacón con Grelos* (pork leg with turnip greens), and the sweet *tetilla* and *San Simón* cheeses.

Basque cooking is the most famous in Spain. Such Basque dishes as *changurro* (king crab) baked with cheese, the fish *merluza* in green sauce, and *bacalao* (cod) prepared dozens of different ways—all are favorites throughout Spain.

All culinary roads meet in Madrid. Here you will find hearty and indigenous Castilian dishes such as roast lamb and roast suckling pig, game pickled in an *escabeche* sauce, mountain-spring trout, wild mushrooms, garlic soup, and the hearty Castilian stew called *cocido*.

In Madrid you will also find the special *fabada Asturiana* (the bean, pork and sausage stew of Asturias), *perdiz estofada* (the baked stuffed partridge of Toledo), *angulas* (baby eels) from Bilbao, and of course the ubiquitous national dish called *tortilla española*, which is really a potato omelet, eaten hot, cold, as a snack or on a picnic.

A Spanish pastime, in every part of the country, is *tasca*-hopping—dropping by a local bar (or *tasca*) before a meal for a glass of wine and an assortment of *tapas*. The word *tapa* literally means lid or cover. It translates into tiny plates or dishes of toasted almonds, ripe olives, air-dried mountain ham (*jamón*), *chortzo* (sausage), and hundreds of other appetizers.

It is easy to make a meal of assorted *tapas* and let it go at that. Different *tascas* have particular *tapa* specialties. Part of the fun of *tasca*-hopping is the sense of discovery each *tasca* brings.

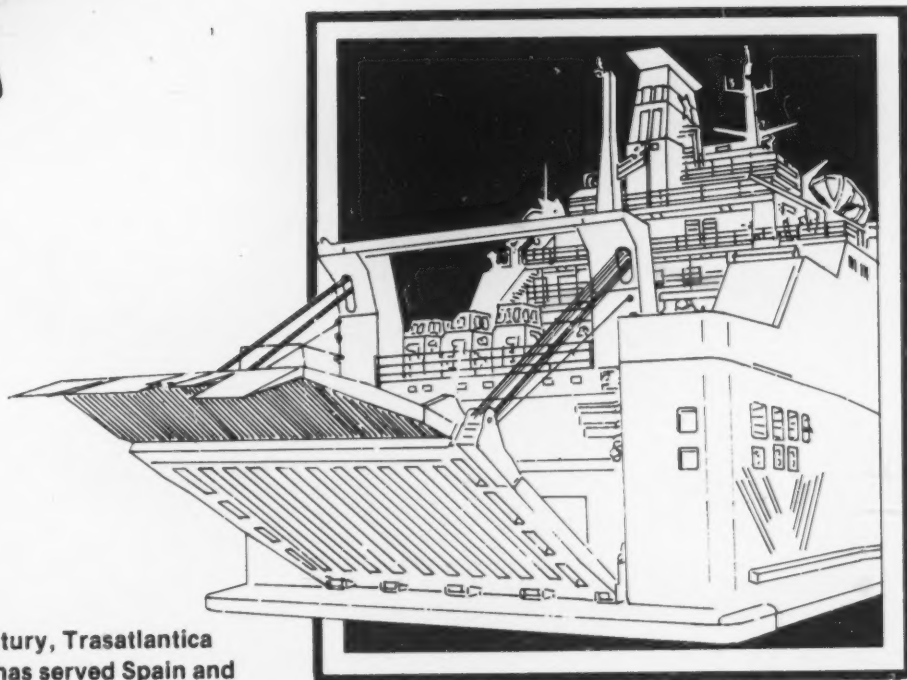
Sweets are popular in Spain, and are often eaten at *merienda* (tea-time), as well as for dessert. Look for the *marzipan* of Toledo, made from an ancient Moorish recipe, *almendrados* (almond cookies), fried-dough *churros* dunked donut-like into hot chocolate at breakfast, and the rich almond-studded nougat candy called *turrón*.

On almost every dessert menu in Spain you will find *flan*, a Spanish version of *crème caramel*. There are many regional specialties as well. In Catalonia *flan* becomes *crema Catalana*—a richer, more eggy version. The Basques like their *capuchina* (an egg-yolk sponge cake) and *tostadas de crema* (fried custard square). Andalusians favor honeyed pastries and *yemas*, made with many egg yolks.

Eating in Spain is rarely just a necessity. More often, it's a celebration. Ebullient groups of Spaniards seem to turn every ordinary meals into festive occasions. A visitor quickly catches the spirit. □

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